[illegible]

Austria	Sch. 30	Indonesia	Rp 2500	Portugal	Esc 90
Bahrain	Din 0.650	Italy	L 1500	S. Arabia	Rls 6.00
Belgium	BFr 45	Japan	Y250	Singapore	S$ 4.10
Canada	C$1.00	Jordan	Fils 500	Spain	Pta 125
Cyprus	C£0.70	Kuwait	Fils 500	Sri Lanka	Rup 30
Denmark	DKr 9.00	Lebanon	[illegible]	Sweden	Skr 7.00
Egypt	E£1.80	Luxembourg	LFr 45	Switzerland	SFr 2.20
Finland	Fmk 6.50	Malaysia	Rgt 4.25	Taiwan	[illegible]
France	FFr 8.00	Mexico	Pes 220	Tunisia	Din 0.650
Germany	DM 2.20	Morocco	Dh 6.00	Turkey	L 750
Greece	Dr 80	Netherlands	Fl 2.75	U.A.E.	Dh 6.50
Hong Kong	HK$ 12	Norway	Nkr 7.00	U.S.A.	$1.00
India	Rup 15	Philippines	Pes 25		

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D 8523 B

US takeovers: arbitrageurs under fire, Page 19

World news

Saudis drop Stingers from deal

Saudi Arabia has withdrawn 800 advanced Stinger missiles from a controversial $354m arms purchase and the Reagan Administration hopes the move will persuade Congress to let the rest of the deal go through.

US Secretary of State George Shultz informed the Senate Republican leadership of the action, which be said would "substantially strengthen" Mr Reagan's chances of winning final congressional approval.

A fear that some of the portable, shoulder-fired missiles might fall into the hands of terrorists was a large factor in Congress'a initial defeat of the sale.

Soviet envoy

Yuri Dubinin, former Soviet ambassador to Spain, is to succeed Anatoly Dobrynin as ambassador to Washington. Page 5

Advance halts

Sri Lankan troops halted their advance on the Jaffna peninsula under heavy fire from Tamil separatists. Page 4

Alfonsin escape

Police disarmed a bomb in an army officer's club shortly before President Alfonsin of Argentina was to address officers in a nearby building, the country's official news agency Telam reported. Page 5

Beirut guards freed

Six Lebanese Moslem guards at the US Embassy were released eight hours after their abduction by gunmen at a crossing point between the Moslem and Christian sectors of Beirut.

US gateway

Irish Government proposed measures to allow American immigration officials to screen passengers at Shannon airport for entry to the US, in the hope that traffic through Shannon will be boosted.

Flights disrupted

A six-hour strike by Italian civil aviation staff caused delays to several international flights and temporary closure of most provincial airports.

China-Taiwan accord

China and Taiwan signed their first accord for 37 years as they formally agreed on the return this week of a Taiwanese cargo jet now held on the Chinese mainland. Page 4

Talks on Macao

China and Portugal will open talks next month on returning the tiny Portuguese-run territory of Macao to Peking rule.

Cyclone toll

At least 50 people were missing and 35,000 homeless after tropical cyclone Namn hit the Solomon Islands.

Liberal leader

Industry Minister Renato Altissimo has been elected leader of the Italian Liberal Party, one of five parties in the coalition government.

47m jobs needed

The world will have to create 47m jobs every year for the next 40 years, mainly in developing countries, to find work for newcomers to the global workforce and overcome unemployment, according to the International Labour Organisation.

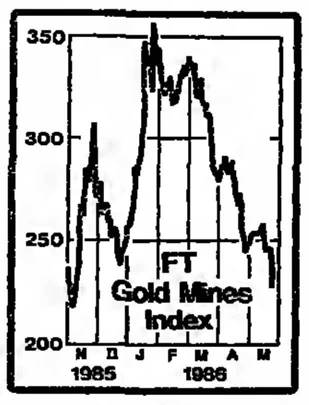
Falklands film

Israeli film-makers Menahem Golan and Yoram Globus plan to produce a big-budget drama film on the Falklands war between Britain and Argentina, officials of the Cannon Group said.

Business summary

Burroughs sets time limit for Sperry bid

BURROUGHS, US computer group, has set a deadline of 5pm today for rival Sperry to accept a sweetened $75-a-share or $4.35bn cash and paper takeover offer. The higher bid came as Sperry called off merger talks amid bitter recriminations, accusing Burroughs of acting in bad faith. Page 20



GOLD fell $1.75 an ounce in the London bullion market to close at $339.25. It also fell in Zurich to $338.90 ($343.05). In New York, the June Comex settlement was $339.80. Page 32

DOLLAR rose in London to DM 2.2410 (DM 2.2255); SFr 1.8690 (SFr 1.8610); FFr 7.1375 (FFr 7.0900) and Y168.65 (Y168.25). On Bank of England figures the dollar's exchange-rate index rose from 115.0 to 115.4. Page 33

STERLING fell slightly in London to $1.5170 ($1.5180). However, it rose to DM 3.40 (DM 3.3775); SFr 2.8350 (SFr 2.8250); FFr 10.8275 (FFr 10.7625) and Y255.75 (Y255.50). The pound's exchange rate index rose to 76.4 from 76.1. Page 33

WALL STREET: The Dow Jones industrial average closed 25.80 up at 1,783.98. Page 40

LONDON: Retail results buoyed trading and gilts improved. The FT-SE 100 gained 11.8 to 1,584.9 while the FT Ordinary share index added 10.7 to 1,305.0. Page 40

TOKYO: Blue chips and consumer stocks were out of favour. The Nikkei average dipped 7.55 to 15,689.98. Page 40

FINLAND lowered its key interest rate twice in demonstration of central bank confidence in the national currency, the markka.

IBM, the US computer giant, announced a series of data communications and telecommunications products that enhance its mainframe computer network offerings. Page 21

AEROSPATIALE, the French state-owned aerospace group, boosted net profits to FFr 453.9m ($64m) last year from FFr 332.1m in 1984 but sounded a warning about the effect of increasing international competition on its results this year. Page 21

COMMODORE INTERNATIONAL, the troubled US home computer manufacturer, is taking severe cost-cutting measures after a further heavy lose in the third quarter ending March 31. Page 21

DEERE, the leading US farm equipment manufacturer, reflected the continuing depression in US agriculture in its second-quarter figures, which showed a heavy loss after a $32.2m reorganisation provision. Page 21

MARRIOTT, the US hotels and catering chain, has converted its friendly takeover approach to Saga, the contract food-service group, into a hostile tender offer at $34 a share. Page 21

NORSK HYDRO, tha Norwegian energy, chemicals and metals group, is bidding to become the leading European aluminium extrusions group, through the takeover of five plants in continental Europe from Alcan Aluminium of Canada. Page 21

Front-line states demand sanctions against Pretoria

BY ANTHONY ROBINSON IN JOHANNESBURG AND TONY HAWKINS IN HARARE

A DEFIANT President P.W. Botha yesterday defended South Africa's cross-border raids on alleged guerrilla targets as foreign ministers of six black-ruled states in the region called for mandatory and comprehensive economic sanctions against the Republic.

In the Zambian capital of Lusaka, Mr Oliver Tambo, president of the African National Congress of South Africa, accused Pretoria of deliberately scuttling the Commonwealth backed peace initiative led by the "Eminent Persons Group." He told a press conference that the ANC had supported the Commonwealth mission, despite serious reservations.

The raids left the organisation no choice but to intensify the conflict in South Africa, be said. Only the unconditional release of Mr Nelson Mandela, the jailed ANC leader, would provide evidence that Pretoria was serious about peace negotiations.

Mr Botha compared the incursions into Zimbabwe, Botswana and Zambia with the recent US attack on Libya. The President said that under international law, South Africa had "the right to resort to acts of self-defence." But in his statement during an emergency debate in Parliament in Cape Town, be omitted the final line of the printed text, circulated to the press beforehand, in which he stated: "I congratulate the security forces and assure the country that we will do it again when the occasion demands."

Mr Botha made no reference to the recent conciliatory mission of the Commonwealth Eminent Persons Group, but he described the banned African National Congress (ANC) as "hell-bent on the destruction of South African society."

Mr Colin Eglin, leader of the white opposition Progressive Federal Party (PFP), attacked the raids as "a major political blunder" and warned that they would lead to an increase in violence.

As fears of sanctions mounted in the wake of Monday's raids, the South African Reserve Bank intervened to steady the rand yesterday after it fell sharply from the opening 44.30 US cents level to 42.35 cents. After bank support, the commercial rand closed only marginally lower at 44.20 cents. But large selling orders from London and other centres further depressed the financial rand, which closed at around 27.15 cents after reaching a low of 26.65 cents.

Foreign ministers of Angola, Botswana, Mozambique, Tanzania, Zambia and Zimbabwe, holding a scheduled meeting in Harare, condemned the raids as "dastardly acts of unprovoked and unwarranted aggression." A joint communiqué called for international economic sanctions.

Although those countries, four of which have close trade and transport links with South Africa, would suffer substantially if sanctions were imposed, their stance is bound to add to escalating international pressure for more effective action against Pretoria.

Unequivocal statements of this kind will make it extremely difficult for Washington and London to oppose economic sanctions on the ground that the dependent states in the region would be hurt.

The ministers, meeting to review preparations for September's non-aligned summit to be held in Harare, also wish to strengthen the links between the "front-line" black states in the region and the non-aligned movement. It seems increasingly likely that there will be a strong lobby for the provision of military assistance from non-aligned nations designed to deter future South African attacks.

Street violence, Page 4; Feature, Page 18; Commonwealth countries reconsidor sanctions, Page 20

Belgian coalition agrees on cuts in spending

BY QUENTIN PEEL IN BRUSSELS

THE BELGIAN Government of Mr Wilfried Martens yesterday agreed on the details of nearly BFr 200bn ($4.4bn) cuts in government spending after more than six weeks of internal negotiations between the four parties of the coalition.

The deal was agreed shortly after 6 am, as public-sector unions insisted that they would go ahead with further national strikes in protest this week.

Although it will only be formally presented to the Cabinet and National Assembly tomorrow, most of the details of spending cuts and tax changes leaked out yesterday in the Belgian press.

They include a 2 per cent cut in corporation tax, balanced by the cancellation of a range of special company tax concessions, and less relief for foreign companies setting up "co-ordination centres" in Belgium.

There are also special measures to provide extra tax relief for investment in shares when linked to personal pension schemes, but some tightening up on personal tax concessions, for example on purchasing new cars.

Cuts will hit education spending, with less cash for temporary staff in schools, fewer language courses and halving of social spending for universities. There will also be new minimum charges for the health service.

Another unpopular measure is likely to be the ending of tax concessions for luncheon vouchers, while there will also be stricter rules on benefits for the dependants of unemployed workers.

The Government also intends to sell some state enterprises, identified by Belgian reports as the Regie des Transports Maritimes – the cross-Channel ferry service – and the parcels service on the Belgian railways, as well as some offshoots of the RTT, the state telecommunications corporation.

The cuts, totalling between BFr 188bn and BFr 200bn, fall somewhat short of the target of BFr 214bn set by Mr Martens to reduce the public-sector deficit of more than BFr 600bn by a third over 1986 and 1987.

They mean that the Government can now present a budget to the National Assembly, having operated without one since the beginning of the year.

Big savings have been achieved because of the improvement in the economic situation, the reduction in interest payments on the present national debt, and a rescheduling of the debt with commercial banks.

The big challenge now facing Mr Martens is to persuade the trade unions to accept the cuts, by dividing the Christian unions supporting his own party from the more hostile Socialist unions.

The Socialist unions have called for a further national strike in both public and private sectors on May 22 and 23, while the railway workers in southern Wallonia have effectively been on strike for the past week already.

The Christian unions have let it be known that they are not seeking outright confrontation with the Government, and their attitude is likely to be crucial in the coming days.

The relief at the outcome of the negotiations was, none the less, reflected yesterday with share prices on the stock exchange ending at record levels, with gains throughout the market.

Reagan seeks voluntary limit on sales of imported machine tools

BY NANCY DUNNE IN WASHINGTON

PRESIDENT REAGAN yesterday said he would ask Japan, West Germany, Taiwan and Switzerland voluntarily to limit their US sales of six categories of machine tools during the next five years.

Imports have been taking an increasing share of the US market, and in 1983 the National Machine Tool Builders Association filed a request for quotas on ground that the industry was vital to the nation's national security.

No US industry has succeeded in winning protection on national security grounds since 1956, when the petroleum industry was granted assistance.

The President, in an announcement released by the White House, delayed the decision on the national-security argument for six months while voluntary arrangements are sought. However, he called the US industry "a vital component of the US defence base," and said that high import levels might erode US capability to manufacture critically needed machine tools. Should he fail to get voluntary imports, it is believed that arbitrary quotas will be imposed.

Limits will be requested on the six categories most stressed by imports: machining centres, computer-controlled and non-computer controlled lathes, computer controlled and non-computer controlled punching and sharing machines, and milling machines. Imports of machining centres alone last year had an 62 per cent market penetration, according to the machine tool makers.

Between 1981 and 1985 imports leaped from a 24.9 per cent market share to a 40.9 per cent share, the association said. During the period, imports from Japan jumped from 46 per cent to 49 per cent, West German imports rose from 13 to 14.3 per cent, Taiwan from 6.9 to 7.7 per cent and Switzerland from 5.3 to 5.5 per cent.

In 1981, machine tools from the UK held a 9.2 per cent market share. Penetration fell to 5.4 per cent last year and the UK dropped from its position as third-largest foreign supplier to number five.

US first quarter GNP revised up to 3.7%

By Stewart Fleming in Washington and Paul Taylor in New York

THE US Commerce Department yesterday caught financial markets unprepared with the announcement of an upward revision from 3.2 per cent to 3.7 per cent in its estimate of the real annual rate of growth in the economy in the first quarter of 1986.

But just as most private economists had played down the significance of the relatively strong initial estimate released last month, so again yesterday, the upward revision was discounted as reflecting statistical refinements that do not fundamentally contradict the widespread evidence that US output is expanding only sluggishly.

Indeed, some economists yesterday argued that the latest upward revision, to the extent that it resulted from more rapid stock building than originally assumed, may have prompted production custs that might tend to depress the second-quarter GNP figure.

The GNP data helped to send the dollar sharply higher again on the world's foreign-exchange trading floors. In the immediate wake of the announcement, the dollar gained almost Y2 against the Japanese currency, 4 pfg against the D-Mark. It also advanced against sterling.

The rebound, which began in late European trading, continued in New York after a brief hesitation. After closing in London at Y168.40, the US currency was quoted in New York in early-afternoon trading at Y168.90, while it advanced to DM 2.2487, up from DM 2.244 in London, and to $1.1565 against sterling. Dealers noted that trading had been quiet ahead of the GNP numbers but that their release propted "a tremendous upsurge" in the US currency.

The GNP revision also sent already weak US bonds prices tumbling in early trading before the market reversed direction to show moderate price gains by lunchtime. However, US short-term interest rates were generally slightly firmer, reflecting investor caution about the current state of the domestic economy and the likely direction of interest rates. The cautious market mood came against the backdrop of a US Federal Open Market Committee policy-making meeting, which was taking place behind closed doors yesterday.

The Commerce Department said the upward revision "was more

Continued on Page 20

Baker aid plea, Page 5

BA plans US ticket lottery to boost sales

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT, IN LONDON

BRITISH AIRWAYS is to give away in the US 5,600 return tickets to the UK on June 10 in an unprecedented lottery designed to boost flagging traffic on the North Atlantic air routes in the airline's peak summer earning season.

Coupled with cut-rate hotel and other inducements from the UK travel trade, the airline hopes its gesture will help demonstrate that the UK enjoys a "relatively safe and peaceful life" and that US fears of terrorism need ont deflect would-be tourists.

The seats give-away was presented in New York yesterday, and will be further explained on television today by Mr Colin Marshall, BA chief executive, who flew to New York last night.

It is part of a campaign to stem a drain on the airline's finances that has already cut passenger numbers since April 1 by 4 per cent against this time last year and reduced revenues by about 11 per cent.

Lord King, BA chairman, said yesterday that although in the financial year ended March 31, the airline earned a pre-tax profit of £183m ($276m), against £168m in 1984–85, the airline needed to take drastic action to halt the fall in traffic that had occured in recent weeks, especially since the bombing of Libya by the US and other terrorist actions such as the bomb in BA's offices in Oxford Street.

Within recent days, there had been signs of an improvement, but overall the position was worse than this time last year and the airline was taking no chances in the current uncertain situation, and was implementing measures to limit the damage that might be caused by a continued shortfall in traffic.

"Recruitment for the summer season has been stopped, and staff numbers are being reviewed. A number of scheduled services will be cancelled or combined with others in order to avoid, as far as possible, carrying uneconomic numbers of passengers and loads of cargo.

"At the same time, tactical advertising is being increased in an attempt to boost traffic particularly on the Atlantic and early indications are that this is working," Lord King said.

Although redundancies are not yet contemplated, the airline says "the board will not hesitate to take such further steps as it considers necessary in order to minimise the adverse effects on the company."

Despite the evidence of an improvement on North Atlantic routes (where BA derives about a quarter of its revenue), the airline is still sufficiently concerned to stage promotions, such as the seats give-away.

It will involve flights from 15 US cities to the UK by 13 Boeing 747s,

Continued on Page 20

Lex, Page 20

Poor appetite for Mrs Fields cookies

BY RICHARD TOMKINS IN LONDON

MRS FIELDS, the US-based cookie store operator, the floatation of which on London's unlisted securities market is set to make it the USM's biggest company, met with a dismal response to its offer for sale.

The application list closed yesterday morning with only 4.7m shares taken up out of the 29.7m on offer. The remaining 84 per cent of the issue has been left in the hands of the underwriters.

Mr Robert Swannell of J. Henry Schroder Wagg, the merchant bank that co-sponsored the flotation with Goldman Sachs International, blamed jittery stock market conditions in the wake of National Westminster Bank's heavy cash call last week.

"But at then end of the day there was the difficulty of convincing people that the growth record of the past, which by any standards is spectacular, would continue into the future," he said.

"I can only say that the proof of the pudding will be in the eating."

The issue attracted criticisms on several points including the international growth prospects, the complexity of the holding company structure and associated tax losses, and the rationale behind the company's seeking a UK listing instead of a US one.

Yesterday, however, leading food-sector analysts blamed the poor response on the difficulty of selling to the London market a company unknown in Britain and the pricing of the offer in the prevailing market conditions. At 140p, the share were on a prospective earnings multiple of 18.7.

Dealings in the shares begin next Wednesday.

CONTENTS

Controls eased on telecommunications services in France

BY PAUL BETTS IN PARIS

THE FRENCH Government plans to open up to private competition the market for advanced value added telecommunications services ranging from videotex to private business communications networks and videophones, as part of the deregulation of French telecommunications.

But Mr Gerard Longuet, the new Secretary of State for Posts and Telecommunications, said yesterday that deregulation in the coming weeks would not stretch at this stage to long distance and local telephone services.

The Government plans to draw up a bill to regulate competition in the French telecommunications sector during the next 18 months before eventually opening up the existing state telephone monopoly to outside carriers as the US has done with MCI and the UK with Mercury.

Mr Longuet emphasised that the French Government was anxious to avoid seeing private carriers "creaming" profitable long distance services at the expense of local telephone services. Indeed, he went as far as to suggest that long distance services, which have traditionally subsidised local services, should remain a "strong public service."

At the same time, he said he favoured a review of local service telephone tariffs, which are still extremely low in France compared to other Western countries. In turn, by making local telephone services economically more attractive the Government could pave the way for competition in local telephone services.

Mr Longuet also confirmed that the Government was reviewing the proposed deal between American Telephone and Telegraph (AT & T and the nationalised French Compagnie Generale d'Electricité (CGE) electronics and telecommunications group. The venture, which would give AT & T a 16 per cent share of the French public telephone exchange market, appears to have relatively good chances of gaining the necessary government approval, although Mr Longuet emphasised that the decision did not rest in his hands but with the industry Minister. Indeed, the final decision is widely expected to come from Mr Jacques Chirac, the Prime Minister.

The centrepiece of the deregulation programme is the setting up of an independent watchdog agency modelled on the US Federal Communications Commission (FCC) called the Commission Nationale des Communications et Libertés (CNCL) responsible for broadcasting and telecommunications in France. The posts and telecommunications (PTT) as such will become responsible for providing services in competition in some fields with other groups.

This new agency in coming weeks will authorise new value added services to be offered by private groups to businesses seeking to set up individual communications networks or seeking advanced specialised services. Already two important associations have applied, including a link-up between IBM and the French Paribas banking group and another between Olivetti and the French Suez financial group.

The new government, in spite of its liberal and free market zeal, has clearly been waiting for the entry of a French electronics group in the value added service communications field before giving the green light to deregulation in this sector. But both IBM and Olivetti, the latter closely associated with AT & T, appear to have stolen a march in already positioning themselves to take advantage of one of the first areas of deregulation in French telecommunications.

Overall, the new Government's approach to deregulation in the telecommunications industry is far more cautious and gradual than its deregulation plans for broadcasting, including the immediate privatisation of France's oldest and largest national television network, TF-1. The broadcasting plan has provoked a political controversy and the state television networks will be disrupted by a protest strike today.

As for postal services, the new Secretary of State said he wanted to encourage development of European-wide services as well as boosting the financial services offered by the post office in France.

Guarded optimism over talks on human contacts

FROM A CORRESPONDENT IN BERNE

REPRESENTATIVES of the 35 nations meeting in Berne to discuss East-West human contacts are due to wind up their conference at the end of this week, and it is still not clear whether there will be a final document. However the leader of the British delegation, Sir Anthony Williams, believes the meeting can already be described as a success.

Quite a lot has been achieved, Sir Anthony said. Forty four proposals were on the table.

"Even when we do not agree we have shown that we can air our problems and I believe that we may well reach agreement on detailed provisions for improving human contacts. The meeting would not have been a failure without a final document, but it would be a failure if we had a final document that did not say anything useful."

Opinions differ as to how many of the proposals could be included in a final statement, but Western delegations have stressed the importance they attach to improving the observance of existing provisions on human rights, international postal regulations for example.

Sir Anthony makes the point that it is easy to lump the East Europeans together, but they "differ widely from the relatively liberal to the totally illiberal."

The public opening four weeks ago of the conference, the latest to be held under the Helsinki accords, was delayed by East-West wrangling over whether the meetings should be in public.

The conference began when a "compromise" was reached, under which only the scheduled final day – Friday – will be open to the public. However, delegates have been generous with their briefings to the media and only detailed information on individual cases has been restricted.

The "sideshows" which marked the opening sessions (one group of refugees chained themselves to railings near the Bellevue Palace Hotel conference site and a Romanian set fire to himself, fortunately without serious injury) now seem to be over, and Western, neutral and non-aligned states say the Soviet delegates may now show the flexibility they have promised.

Many Western delegations stress that the mere fact the conference is being held at all represents a degree of success, since countries were keen to clear outstanding cases from their books, often allowing would-be refugees to leave for the West before the conference opened.

It is also clear that individual cases are being solved in the working groups and corridors of the Bellevue almost daily. For example the deputy head of the Swiss delegation, Mr Gerard Stoudmann, told reporters last week that Switzerland had successfully wrapped up some dozen cases involving unnamed East European countries since the meeting began.

The leader of the Netherlands delegation, Mr Hans Meesman, does not like equating cases solved with overall progress. He said on Friday: "Every unresolved case represents a tragedy in the lives of one or two people, but this is not the same as the success of the Berne meeting.

"The current cases result from the non-implementation of the provisions of the Helsinki final act by states who have promised to implement them fully."

James Buxton chronicles Rome's attempts to bring development within the law

Italy tries to impose planning after the event

AN EXTRAORDINARY bureaucratic operation is lumbering into life in Italy. Its aim is the conversion — on paper — of literally millions of illegal homes into legitimate dwellings. At the end of the day, likely to be some time in the early 1990s, much of the wild construction development that has defaced whole areas of Italy in the past 40 years will have been retrospectively both punished and sanctioned.

The operation, the condono edilizio or building pardon, should entail every Italian who owns an illegally-built house or flat owning up to the authorities, and getting it approved, against payment of a fine. The number of homes involved could exceed 3m and illegal alterations to be pardoned could run into millions more.

According to estimates by the Ministry of Public Works in Rome, more than 1.2m people had applied for the pardon by the end of March. In some parts of Italy, at least, an extremely complicated and thoroughly unpopular piece of legislation seems to be beginning to work.

To inhabitants of northern Europe, accustomed to diligent local authorities closely controlling every aspect of town and rural planning, it must come as a surprise to discover that perhaps one third of the population of Rome—about 1m people—lives in homes which were constructed without planning permission, in accordance with no urban design.

While districts have sprouted spontaneously on the outskirts of the city over the past 35 years. Some of them seem little different from legitimately-built parts of the city but the worst blocks of flats sometimes seem to have been put next to each other completely at random.

Some of the houses are jerry-built, put up by men working only at night to avoid being caught. Services such as lighting and sewage are often non-existent. Sheep and goats graze between the blocks. There are hardly any schools and the crime and drug taking rates are predictably high.

The problem resulted from a collision between an energetic and resourceful population migrating from the countryside, and a municipal administration quite unable to cope with the paperwork which its own rules demanded, let alone envisage the scale of future development.

People who wanted to build their own homes, or speculators planning ambitious developments, often went ahead without even thinking of getting permission. It would take far too long, would involve answering far too many awkward questions and the request would very likely be refused.

On several occasions since the war the city council in Rome has had to enfranchise vast new developments which were previously held not to exist, and put in rudimentary services. But other suburbs remain beyond the pale to this day, and even in those areas that are officially recognised, house owners are not exempt from the need to seek a pardon for the offence of having built illegally.

Yet for anyone travelling south, Rome and its suburbs are only a foretaste. Almost the entire coastline from Rome to Calabria is an uninterrupted strip of development, much of it illegal. The periphery of Naples—some of the worst slums in Europe—was built with little regard for planning regulations.

In Sicily things are even worse: very little of the construction that has taken place since the Second World War is technically legal: it is reckoned that 1.5m homes are illegitimate. The ancient Greek city of Agrigento, on the south coast, is regarded as a classic case: the Valley of the Temples, one of the finest collections of Greek temples in the world, is now surrounded by villas and flats, and the construction still goes on.

> On several occasions since the War, the city council in Rome has had to enfranchise developments which were previously held not to exist and put in rudimentary services. But other suburbs remain beyond the pale to this day, and even in those areas that are officially recognised, house owners are not exempt from the need to seek a pardon for having built illegally.

The aim of the new law is twofold, firstly to raise money. The idea of offering an amnesty in return for payment for past offences, often in the field of taxation, has a long history in Italy. It is maliciously said to date back to the medieval practice of simony, when priests offered sinners a pardon in return for cash.

It was originally hoped that the measure would raise at least L10,000bn (£4.4bn), but with the watering down of the legislation, it is now reckoned that the state will be lucky to raise half that amount.

The second aim is to try to impose a little order on the situation, and to give the municipalities little excuse for continuing to deny essential services to the illegally-built zones.

The law covers any building erected illegally between 1942 and October 1983—the date at which the first version of the law, presented as a decree, was rejected by Parliament in a humiliating setback for the newly-formed government of Mr Bettino Craxi.

That date has been retained, in the face of opposition, to exclude the many thousands of buildings run up speculatively between the failure of the decree law and the approval in March 1985 of the final law.

Every owner of an illegally-built home is expected to present a request for its existence to be condoned, together with a down payment of a third of the fine, calculated according to the size of the property and its status.

For many smaller properties the fine may be only L3m or L4m, and in the case of poor people can be paid over a five year period. Indeed, the penalty for missing the March 31 deadline does not become steep until after the end of September, and even then late-comers have another six months to present their request.

As the law went through Parliament it was made progressively less harsh, as it was recognised that millions of people would be homeless if they had to wait for permission to build. It was also realised that there was no practical way of distinguishing between ordinary offenders and large scale speculators.

The municipalities have two years to decide whether or not to condone the offence. It is assumed that they will almost always do so, but if they do not, the building might have to be pulled down, presumably after years of litigation. A dire penalty awaits those who do not seek a pardon; without it no lawyer is authorised to enact the sale or transfer of the house to anyone else.

The authorities believe that with time still in hand for late requests, the law is taking effect. Whether it will make much difference to anything except the Government's coffers and the workload of the municipal bureaucracy remains to be seen. Censis, the Rome-based social research bureau, has estimated that to install services and schools in the illegitimately built zones could cost as much as L25,000bn, five times as much money as the law may bring in.

But the law is definitely not working in Sicily, where the extent of illegal building is vast. Thousands of Sicilians, egged on by their mayors, set up blocks on roads and railways and thronged menacingly outside offices containing official records.

Rome refused to make major concessions, blaming the island's nearly 400 municipalities, only a quarter of which had ever completed an urban plan. The central Government did not see why it should undermine the whole concept of Italian unity by making a new law specific to Sicily. Instead it softened by decree parts of the law that particularly affected poor people.

The island's politicians have now resorted to the Sicilian regional assembly and passed a law excusing Sicilians from complying with this particularly national legislation, a move which the central government has challenged in the constitutional court. The battle is a long way from ending.

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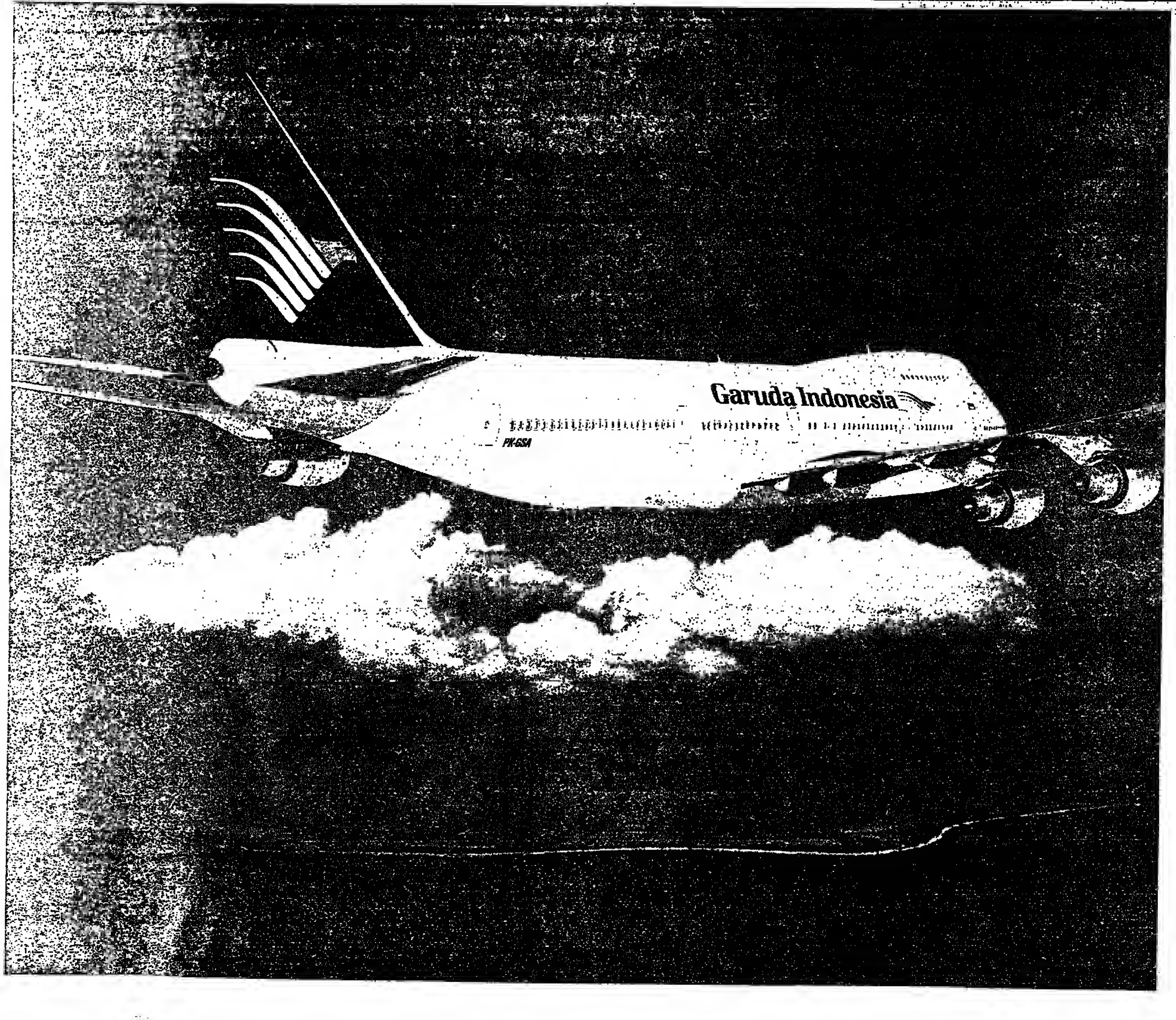


EEC reforms 'could fragment motor market'

BY PAUL CHEESERIGHT IN BRUSSELS

EUROPEAN Community reforms to speed decision-making and the development of the internal market could have the reverse effect and fragment the market, motor industry chief executives are warning the Commission and governments of the Twelve.

Their concern is prompted by the Danish refusal to adopt technical regulations to control vehicle emissions and is directed at the exceptions permitted by the text of the constitutional reform package signed by the Twelve last February.

The industry fears that there will be scope for national regulations to override Community regulations. This, it is argued, would run in the face of a decision taken in 1970 to ensure that any recourse to national technical regulations was forbidden.

Mr John Egan, chief executive of Jaguar and president of the Committee of Common Market Automobile Constructors, and Mr Hans-Erdmann Schonbeck, president of the liaison committee of the EEC Automobile Industry, have set out these fears in identical letters to the presidents of all the Community institutions.

They want the Community authorities "to confirm that they will continue to pursue the policy to harmonise technical regulations for automobiles Community-wide."

Although majority voting is expected soon to take place in the Community Council of Ministers on, for example, environmental matters, there is provision for governments to appeal to the Commission and thence to the Court of Justice for permission to carry on with specific national practices.

This leads to the general fear that such a freedom will allow trade barriers to crop up – instead of bringing them down, as is the aim.

Underlying this is the unspoken fear that Denmark will continue to hold out against the emission regulations, agreed last June, and that it will seek an exemption when, inevitably, the matter is run through the Council again on a majority vote.

● Denmark yesterday became the first of the Twelve to ratify the constitutional reform package after having been the last of the Twelve to sign it in February. "We may be late starters but on the other hand we take things seriously and try to terminate our work quickly," said Mr Uffe Ellemann-Jensen, the Foreign Minister.

He urged his EEC partners to ratify quickly what is called the Single European Act," so that we can get on with the important work of realising the internal market."

PLO talks condemned

DUTCH Foreign Minister Mr Hans van den Broek said today he may meet Palestinian Liberation Organisation officials next week in his role as president of the European Council of Ministers.

Mr Van den Broek visits Tunis on Sunday to see Arab League chiefs as part of a Community programme of contracts with parties to the Middle East conflict.

He said he understood the PLO was interested in such a meeting and said he would not rule it out.

Israel said yesterday it would protest to the European Community about such a meeting. Mr Yitzhak Shamir, the Israeli Foreign Minister, told Mr Philipp Jenninger, the visiting chairman of the West German Bundestag, that the proposed meeting "would encourage terrorism" and harm King Hussein of Jordan.

Danes set to dissent on US chemical arms plan

BY HILARY BARNES IN COPENHAGEN

DENMARK SEEMS poised to conform to its reputation as Nato's dissenter when Nato defence ministers meet in Brussels on Thursday. There, they will be asked to endorse US plans to resume production of chemical weapons.

In the Folketing (parliament) yesterday, the non-socialist minority government went down to its 19th defeat in three years on foreign and defence policy issues when a majority called on the government to dissociate Denmark from the US plans and to make the country's position known to the Nato Council and to the US Congress.

The government parties abstained when the vote was taken on the resolution.

It was not clear yesterday however, whether the wording of the resolution was sufficiently tough to force a new Danish footnote to a Nato communiqué, although Mr Lasse Budtz, defence spokesman for the opposition Social Democratic Party, was not in doubt.

"The government cannot sign a communiqué in which production of chemical weapons are accepted," he said.

Norway's new Labour government is also opposed to the US plan, but Mrs Gro Harlem Brundtland, the Prime Minister, was quoted as saying she does not intend to make footnote reservations to Nato decisions.

This may open the way for the Danish government to join forces with Norway without going to the lengths of a new written reservation to a Nato decision.

In Washington on Monday, Mr Richard Perle, assistant Secretary of State for Defence, was damningly sarcastic at Denmark's expense at a briefing with Danish journalists ahead of a visit to Denmark tomorrow and Friday by Mr Casper Weinberger, US Defence Secretary.

Coalition's majority at risk in Netherlands

By Laura Raun in Amsterdam

THE DUTCH centre-right Government looks set to lose its parliamentary majority by a very slim margin as voters go to the polls in today's general election.

The neck-and-neck race is expected to draw as many as 88 per cent of the eligible voters, the highest turnout since 1977.

The closeness of the race focused attention on yesterday's television debate between the leaders of the three largest political parties—Mr Ruud Lubbers, the Prime Minister, who heads the Christian-Democrats; Mr Joop den Uyl of the Labour Party; and Mr Ed Nijpels of the Liberal Party.

Formation of a new government could drag on for weeks if the governing coalition loses its majority. The longest cabinet formation in history was in 1977 when it took six and a half months to weld a government together.

In a trend seen over the last couple of months, the Christian Democrat-Liberal coalition is likely to fall two seats short of the 76 needed to maintain a governing majority, according to the most recent polls.

The opposition Labour party is expected to add seven seats for a total of 54 and have the first chance to try to form a government. The Socialists would seek to forge a centre-left coalition with the Christian Democrats, the perennial swing party which has been part of every government since the war.

A Christian Democrat-Labour coalition has grown increasingly likely in recent weeks as Mr Lubbers and Mr den Uyl, the veteran Labour party leader, have recognised the opinion polls' message. If the Christian Democrats and Socialists fail to bridge their differences, most notably on the deployment of cruise missiles, then the current coalition partners probably would seek another party to restore their majority. The Democrats 66, a small left-of-centre party, seem the likely candidate.

French growth slows

FRENCH economic growth slowed to a real 0.3 per cent in the first three months this year from 0.6 per cent in the fourth quarter last year, according to provisional figures announced yesterday by INSEE, the official statistics body, David Marsh writes from Paris.

This compares with growth in gross domestic product of 1.3 per cent last year. The Government has forecast growth of 2.5 per cent for the whole of 1985, based partly on falling oil prices and its programme of economic liberalisation measures.

Finnish rates down

FINLAND lowered its key interest rate twice yesterday in a demonstration of central bank confidence in the national currency, the markka, bankers said, Reuter reports from Helsinki.

The Bank of Finland announced a cut in the call money rate—its main instrument to influence domestic money markets—to 13 per cent from 14 per cent early in yesterday's trading, and less than three hours later followed it with a further cut to 12 per cent.

The pressure on the Finnish markka began last week after Norway devalued its currency and Swedish and Danish banks began intense speculation that Finland would follow suit.

Pravda turned off by Soviet television news

BY PATRICK COCKBURN IN MOSCOW

THE MONOTONY of Soviet television's main news broadcast, watched by 100m people across the Soviet Union every night, has been heavily criticised by the Communist Party newspaper, Pravda.

It says that the nine o'clock news contains too many stereotyped reports and rehearsed interviews. "Information about the capitalist world is monotonous. Journalistic cliches migrate from broadcast to broadcast," says an article by Mr Dmitri Lyubosvetov.

Soviet television coverage of events abroad, he says, consists mainly of "meetings, demonstrations and protests. They rarely tell about the achievements of science and technology, about what effect these may have on the ordinary worker in the conditions of capitalism."

Mr Lyubssvetov criticises Soviet correspondents stationed in foreign capitals for normally standing in crowded streets while they read out comments from the local press.

The Chernobyl nuclear disaster on April 26 appears to have provoked a watershed in Soviet information policy. The authorities, wholly secretive during the first 10 days of the crisis, have since given extensive coverage of the accident in the press and nightly reports from a special correspondent are shown on the television news.

The initial policy of saying nothing about Chernobyl has also come under attack from Pravda. The newspaper noted last weekend that in the first days after the accident "shifts in people's moods were sometimes promoted by belated information on the real state of affairs at the site of the accident."

Soviet television has never produced as much critical material as the press has done since the political climate gradually liberalised after the death of President Leonid Brezhnev in 1982. Vremya, the main television news programme, has brightende its format in recent days but is still dominated by official pronouncements, broadcast regardless of interest.

Mr Lyubosvetov, quoting readers letters, says: "The readers of Pravda write that they still see (on Vremya) superficial topics and self-praise, and that some interviews seem rehearsed and smooth."

During the first week of the Chernobyl crisis, Soviet television carried only official communiques saying that all was well, and interviews with departing British students and holiday makers suggesting that the accident was being exaggerated by the foreign press.

Chernobyl disaster prompts Polish N-plant review

BY CHRISTOPHER BOBINSKI IN WARSAW

POLAND WILL be reviewing all safety procedures and equipment planned for its first 1,680 mW nuclear power station under construction at Zarnowiec on the Baltic as a result of the Chernobyl accident, Mr Jerry Urban, the government spokesman said yesterday.

He was replying to questions followinga letter to parliament from nearly 3,000 inhabitants of the north-eastern city of Bialystok which lay in the path of the radio-active cloud. They have demanded that work on the Zarnowiec site be halted until adequate safeguards are provided.

Mr Urban also did not rule out the need to import additional safety equipment from outside Comecon countries when he said that Poland would be considering every kind of safeguards "from all over the world."

The mining and energy minister, Czeslaw Piotrowski, has also received an open letter signed by five nuclear scientists calling for a containment shelt to be built at Zarnowiec similar to those used in the west.

The Zarnowiec plant is a pressurised water reactor, built to Soviet design, and quite different from the Chernobyll graphite moderated plant, Mr Urban stressed. He added that abandonment of Poland's nuclear energy programme would lead to economic stagnation. His tone in replying to the protests was markedly moderate, a sign that the authoritiees recognise the intense fears about nucleor energy that the Chernobyl accident has raised in Polalnd.

● Polalnd's universities can expect to see a purge of Solidarity supporters, Mr Urban admitted yesterday, following a statement last week by the Education Minister that the time had come to remove "those who demonstrate opposition to socialism." Mr Urban declined to say how many academics the purge would cover and when it would be carried out.

Nuclear safety boost high on IAEA agenda today

BY DAVID FISHLOCK IN LONDON AND PATRICK BLUM IN VIENNA

AN EXPANDED programme of nuclear safety and nuclear incident evaluation is high on the agenda for today's emergency meeting of the board of governors of the International Atomic Energy Agency in Vienna.

The board, representing 35 nations, has been convened at the request of West Germany, which has domestic difficulties with the high level of public protest over nuclear power following the Chernobyl accident in the Ukraine.

Dr Hans Blix, the agency's director-general, who led its mission to the Soviet Union, will present proposals for several new initiatives by the agency. It hopes the board will give approvals for these to be costed in time for its next regular board meeting in June.

Nuclear plant safety accounts for only about 10 per cent of its budget of about $130m (£86m) a year.

The IAEA believes it may be July before it receives a detailed account of events at Chernobyl from Moscow.

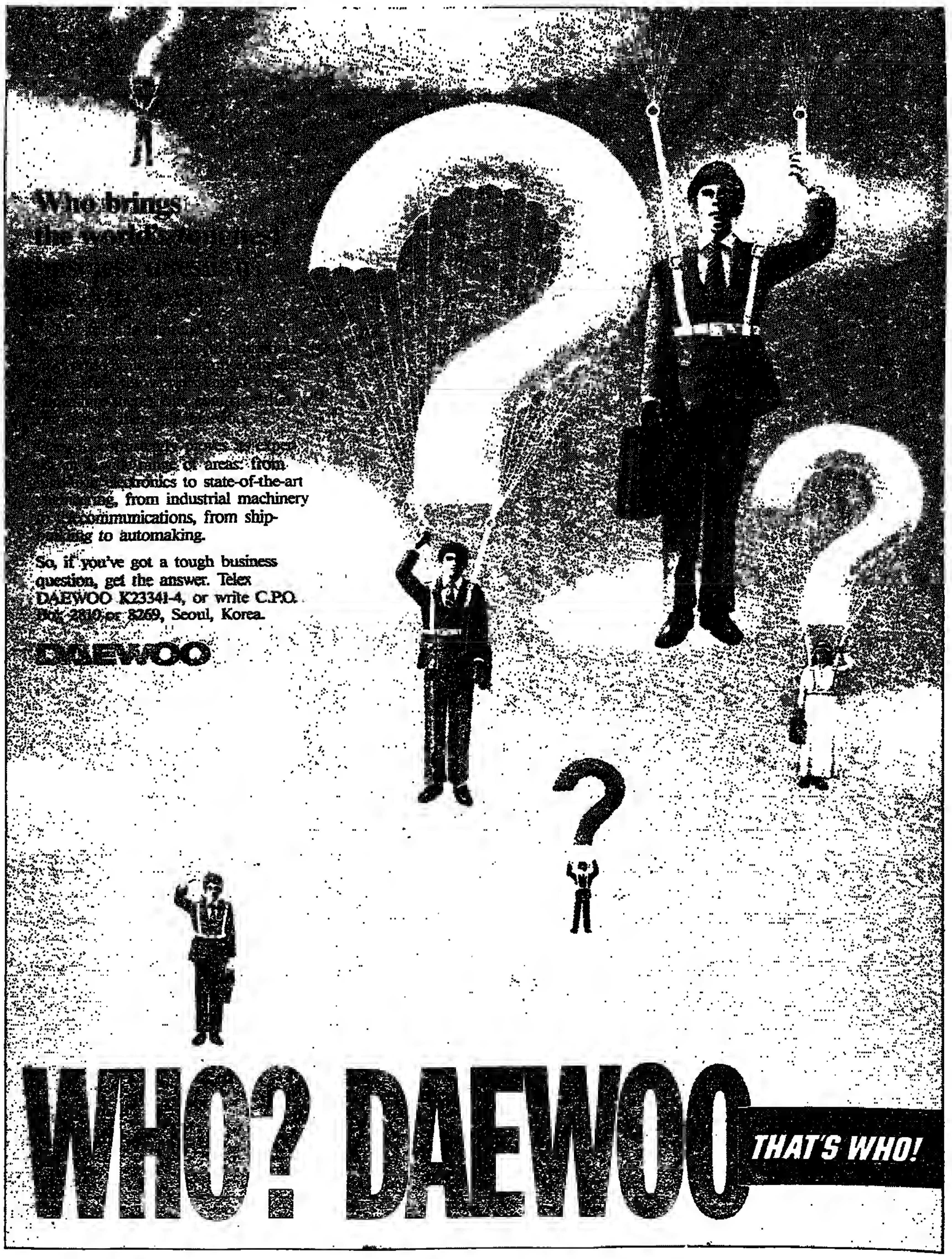
West Germany is expected to press for the establishment of a binding international convention which would commit governments to provide rapid and full information in the case of accidents.

It is also expected to call for the establishment of an early warning system and for higher safety standards

The first of a series of international meetings to discuss the implications of the accident took place at the Vienna headquarters yesterday, attended by experts from the World Meteorological Organisation, the World Health Organisation, the United Nations Environment Programme, and from the UN Scientific Committee on Effects of Atomic Radiation, as well as from the IAEA.

The IAEA provides advice and assistance on request from governments, but has no policing functions. The Chernobyl accident has encouraged calls for tougher controls and moves to give the IAEA more teeth. There has been widespread support for setting up an early warning system.

Mr Mikhail Gorbachev, the Soviet leader, said last week that the Soviet Union would favour such a system. Earlier this month, leaders of the seven leading industrialised nations made a similar call at their summit in Tokyo.



OVERSEAS NEWS

Sri Lanka calls off offensive on Tamil areas

BY MERYN DE SILVA IN COLOMBO AND JOHN ELLIOTT IN MADRAS

SRI LANKAN military officials said yesterday that the army's offensive against Tamil strongholds in the northern peninsula had been temporarily abandoned after four days of fierce fighting.

The officials admitted that the army had suffered a "setback" in its efforts to clear the 45-mile stretch from the Elephant Pass, the entry point to the peninsula and Jaffna City.

Later in the day, Mr Lalith Athulathmudali, the National Security Minister, said the "self defence" operations would continue. He said he hoped the fighting had taught the rebels that they "cannot run Jaffna the way they want."

Tamil leaders in the southern Indian city of Madras said the Tamils had been successful in driving the government troops back to their base where they have lived for months without venturing out on patrol.

They claimed the attack had involved heavy bombing and civilian casualties, a claim denied by Sri Lankan officials.

The Sri Lankan attacks are likely to set back efforts being made by India to find a settlement to the running ethnic crisis of the island's minority Tamil community.

Tamil extremist leaders based in the southern Indian city of Madras yesterday said they intended to take a hard line against peace proposals put forward by the Sri Lankan Government.

The extremists expect to receive more support for their line from India following Monday's attacks on Jaffna which the Indian Government condemned in a toughly worded statement on Monday night.

The military operations had "frustrated" peace efforts, said the statement, which criticised "indiscriminate aerial bombings and strafing of Jaffna city."

Indian diplomats in New Delhi say privately that they suspect President Junius Jayawrdene of Sri Lanka has only been co-operating with recent peace initiatives with India in order to buy time while he prepared for this week's military operations.

They say he also wanted to impress Western Governments, which meet next month to decide on their annual aid allocations to the island whose economy is being hit by the crisis. These countries have been calling for a peaceful settlement.

India believes President Jayawardene is hoping international opinion will support his military initiatives because of two extremist bombs which blew up an airliner and a telegraph office in Colombo recently.

"The Jayawardene Government will soon realise that it is going to be very difficult for them to wipe out our guerrillas on the peninsula unless they are prepared for protracted warfare to last years," Mr A. S. Balasingham, spokesman of the main Tamil Tigers extremist group said in Madras yesterday. "It is our territory, and we will hold on to it."

Israeli defence forces criticised for failures

BY ANDREW WHITLEY IN TEL AVIV

A FURIOUS row has erupted in Israel over a highly critical internal report on the state of the once much-vaunted Israeli Defence Forces, the IDF.

Drawn up by a former high flyer in the IDF's long-term planning department, leaked extracts paint a grim picture of a swollen military infrastructure, cover-ups of previous combat failures by the high command and—most alarming of all for Israelis—a serious erosion in the IDF's attack and defence capabilities.

What has added further fuel to a furore which has shocked the country, is the claim by Col Emmanuel Wald, the report's author, that the IDF general headquarters went out of its way to suppress all discussion on his findings and conclusions.

Speaking before the Foreign Affairs and Defence Committee of the Knesset, Israel's parliament, yesterday, Mr Yitzhak Rabin, the Defence Minister, said the published selections from the Wald report gave a distorted picture of the army's ability and performance.

Among the many conclusions are that the IDF has not drawn the appropriate lessons from the three wars it has fought since 1967, up to and including the three-year invasion and occupation of Lebanon.

16 die in S. African squatter camp battles

By Anthony Robinson in Johannesburg

AT LEAST 16 people have died and upwards of 10,000 left homeless after two days of gunfights and pitched battles between rival squatter organisations in the sprawling Crossroads squatter camp about 12½ miles (20 kms) from Cape Town.

A large group of over 200 homeless women, many carrying babies assembled outside parliament to call on the Government for food and shelter. They dispersed peacefully after police assured them that their appeal would be carried to the relevant ministers.

The Rev David Russel, a local white clergyman, also led a peace march to the area to seek an end to the fighting which broke out over the weekend between older established residents and younger "comrades."

The squatter camp, a maze of close-packed tin and cardboard shanties, was originally scheduled for demolition by the authorities. But the township was reprieved last year and the Government announced plans to upgrade facilities.

It offered many squatters new site and service facilities where they could re-build their makeshift homes at Khayelitsha, a new housing and squater camp complex on the Cape.

Since then Crossroads and other squatter camps in the vicinity have been swollen by waves of fresh immigration from the Ciskei and Transkei homelands. Overcrowding and mass unemployment has exacerbated political and social tensions leading to the current outburst of fighting between the "fathers," old established residents, and young militants calling themselves "comrades."

Both factions are armed to the teeth with a wide variety of weapons ranging from Soviet made AK 47 assault rifles to home-made pangas, knives and clubs. Fighting continued yesterday over a wasteland of burnt out shacks and thousands of homeless sought emergency relief.

Police and army units in armoured cars patrolled the area yesterday and fired tear gas to try to separate the factions. Eyewitness reports that the police had earlier stood by passively and even encouraged the "fathers" in their fight against the "comrades" were denied by police who said they were doing all in their power to separate the two sides and end the fighting.

Bob King examines the background to the Taiwan-China talks

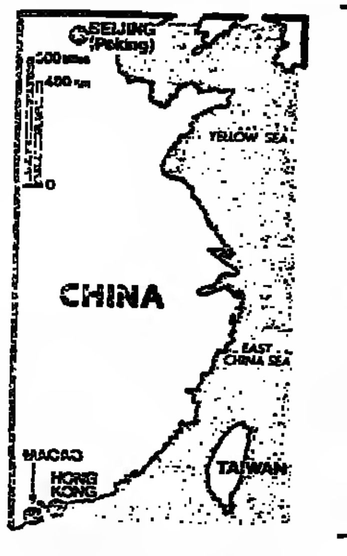
Why Taipei must tread cautiously

TAIWAN'S nationalist government has taken most people by surprise over the past two weeks by a series of concessions made both to its local opposition and, more dramatically, to the nationalists' old enemy, the Communist Government in Peking, with whom Taipei has vowed never to compromise or negotiate.

The question in most minds, though, is why Taiwan suddenly modified its obdurate stance toward the mainland Chinese and grew more reasonable almost overnight. Only President Chiang Ching-Kuo, the ailing 75-year-old son of the last Generalissimo Chiang Kai-Shek, has the full answer, for it is clear that the decision to negotiate last week for the return of an aircraft flown to China by a defector emanated from the very top.

Knowledgeable observers reason that opinion, both within the Government and without, would not tolerate leaving two crewmen of the diverted China Airlines cargo jet in communist hands. Others believe that the Government simply seized the opportunity to open a dialogue with China, without appearing to divert from its national policy.

The nationalist government fled from China in 1949 after a disastrous four-year civil war with the communist under Mao Tse-Tung. On Taiwan (then known as Formosa), the nationalists maintained the martial law they had proclaimed in 1949, which virtually assured them of political dominance. Native Taiwanese, who comprise an estimated 85 per cent of the population, were advised to steer clear of politics and concentrate on business instead.



Thus entrenched, the nationalists built a mini-China on the 250-mile-long island. Lest anyone forget their vow to return to the mainland and "liberate" it from the communists, they renamed major streets in Taipei to commemorate places in China and nationalist heroes such as Chiang Kai-Shek. The renamed streets even correspond roughly to the relative locations of their namesakes in China.

Behind all this, lies an obsessive paranoia over twin possibilities that the native Taiwanese might one day assert themselves, and that the communist rulers of the mainland might find ways to transfer their ideology to the local population with the same disastrous results for the nationalists that occurred in 1949. Thus, the Government remains obsessed with control locally, and refuses to have any dealings with the Government in Peking, which Taipei in its official pronouncements calls "usurpers and bandits."

So, why did Chiang Ching-Kuo change his mind? Why did he authorise discussions earlier this month with the opposition, which could result in the formation of an organised opposition?

Further, why did he give the go-ahead to discussions between Taiwan's flag-carrier, China Airlines (CAL), and the Civil Aviation Authority of China (CAAC), over the cargo jet?

Despite verbal mumbo-jumbo that the talks were between private companies and did not violate Taiwan's official policy of "no contacts" with Peking, CAL's willingness to talk — and the agreement the two sides hammered out over three days of discussions to return the crew and aircraft by the weekend — indicate that the cold war between the mainland and Taiwan could be ending.

Most observers agree that the establishment of both a "loyal opposition" and a realistic relationship with China are inevitabilities given the President's avowed commitment to political liberalisation. "Chiang Ching-Kuo is basically open-minded, although he's surrounded by conservatives," says one political analyst.

Although the trend toward liberalisation on the domestic front will continue, Government spokesmen this week were careful to point out that the talks between Taiwanese and Chinese aviation officials represented an isolated incident undertaken for humanitarian reasons and not a change in policy. Indeed, the Government fears stirring up both arch-conservatives at home and Taiwan independence elements abroad—the former on ideological grounds, the latter because they might interpret any such dialogue as the beginning of a nationalist sell-out of Taiwan.

The major question in Taiwan now is will the more open climate continue? Both the renewed dialogue with the opposition and the Government's handling of the CAL incident were favourably received by the public, and younger, more progressive academics and businessmen. Government officials perceived the non-official-but-substantive talks with China as an example of how Taiwan might rejoin international organisations.

Some fear, though, that the return of the two CAL crewmen to Taiwan will be followed by another slamming of the door and a reaffirmation of the "three no's": no contacts, no negotiations, no compromise with the communists.

The Chinese Government announced yesterday that formal talks on China's resumption of control over Macau, the Portuguese administered territory off the south coast, will begin in the last week of June, Robert Thomson in Peking writes

The talks in Peking between Chinese and Portuguese officials will attempt to settle an agreement for the hand over of the territory, which Portugal has ruled for 430 years.

China's team will be headed by Mr Zhou Nan, the vice foreign minister, who led the negotiations with Britain over Hong Kong. The Portuguese side will be headed by Mr Ruy Barbosa Medina, their UN ambassador.

Nakasone angles for an election

BY JUREK MARTIN IN TOYKO

JAPAN may still yet hold a general election within the next six weeks, if Mr Yasuhiro Nakasone, the Prime Minister, gets his way.

His latest ploy is apparently to try to reconvene parliament into special extraordinary session as soon as its current term ends later this week.

It will debate the state of the economy and any special measures required to offset the adverse consequences of the appreciation of the yen. The Prime Minister's real purpose, however, would be to exercise his prerogative of dissolving the Lower House for an election.

Rarely has the often opaque Japanese political scene proved as impenetrable as at present. Mr Nakasone, his rivals inside his own Liberal Democratic Party, and the opposition are all alive with plots and counterplots.

Mr Nakasone is to meet separately today with the leaders of all the opposition parties except the Communists to discuss an extraordinary session.

They had endorsed the mediation proposal on electoral reapportionment simply because it laid down a timetable that appeared to rule out a double election (of both houses of the Diet) on June 22, the preferred date. A poll could be held, however, on July 6.

The LDP itself is divided innumerable ways on Mr Nakasone's plan. A pivotal role is being played by Mr Shin Kanemaru, the party's secretary-general, who, though not a particular supporter of the Prime Minister, has mained that Mr Nakasone has the right to dissolve parliament.

This may reflect the fact that Mr Kanemaru is a member of thet Tanaka faction, the LDP's biggest and best organised, which always likes to fight elections. But Mr Kanemaru's protégé inside the faction, Mr Noborn Takeshita, the Finance Minister, seems nervous about going to the country with the yen at its present levels. Equally equivocal is Mr Shintaro Abe, the Foreign Minister.

Mr Kiichi Miyazawa, third of the "new leaders," appears to be against a double election,

Cameroon seeks loans after fall in oil revenues

By Peter Blackburn, recently in Yaounde

CAMEROON is to pursue a more dynamic external borrowing policy in order to maintain economic growth despite a sharp fall in oil revenues, according to Mr Edouard Koulla, the Finance Minister.

Cameroon, unusual for African countries, has maintained rapid real growth averaging 7 per cent and balance of payments surpluses in recent years.

Outstanding public external debt totals $1.8bn and represented only 13 per cent of exports in fiscal 1985, according to World Bank estimates.

Student suicide sparks riots in Seoul

By Steven B. Butler in Seoul

A SOUTH KOREAN student yesterday committed suicide after by setting fire to himself and jumpin gfrom a two-storey building at Seoul university shouting slogans against "US imperialism."

The suicide sparked a battle between thousands of students and riot police, with students pelting police with stones and petrol bombs. The students were conducting a memorial for the hundreds who died in the Kwangju insurrection of May 1980.

Although student clashes with police have been a regular feature of Korean life for many years, student demonstrations have grown progressively more violent. For the first time a radical student movement tinged with Marxist ideology has established a firm foothold on Korean campuses.

Attacks on the US have also become increasingly prominent, and for the first time extremist students are calling for a withdrawal of US troops from Korea. Students and the more moderate opposition were recently angered by remarks of Mr George Shultz, the US Secretary of State, which strongly backed the Government of Mr Chun Doo-Hwan, the South Korean President.

The students have lately turned some of their wrath against the opposition New Korea Democratic Party as well. Students say that the party is preparing to strike a compromise deal with the Government that would allow the military a continued strong influence over politics.

The student's self-immolation follows a similar incident at the end of last month near the university, in which two students doused themselves with petrol and set themselves alight. One of those students died a week later.

Bangladesh result

Bangladesh's pro-government Jatiya Party yesterday won an absolute majority in protracted parliamentary elections marked by violence and charges of widespread fraud, **Reuter** reports from **Dhaka.**

The Election Commission said Jatiya had won 152 seats out of 299 counted. The opposition 15-party alliance took 96, of which the main Awami League Party had 75.

Although Jatiya has won the poll, it was left far short of the two-thirds majority required to endorse the past four years of military rule by President Hossain Mohammad Ershad or change the constitution.

WORLD TRADE NEWS

East Europe 'faces hard-currency export problems'

BY CHRISTIAN TYLER, TRADE EDITOR

EAST EUROPEAN countries will have difficulty raising their hard-currency export performance, even though most have recovered well from the debt crisis of 1980-82, a US government review of east-west trade and finance says.

By cutting imports and reducing investment rather than consumption to get back into balance, the countries have hampered efforts to improve the quality and competitiveness of their goods, the report says.

Except in the case of Bulgaria, domestic investment levels were still below 1980 rates, and Western technology imports had been cut back.

The Department of Commerce survey also suggests that the Comecon countries' exports will suffer from slow economic growth in Western Europe and restricted access.

Their important share of trade in developing countries was likely to continue to be squeezed by competition from other poorer nations.

Indebted countries would continue to restrict imports and would promote exports in third markets important to eastern Europe.

Meanwhile, the Soviet Union's refusal to permit these Comecon partners to continue running trade deficits would impose greater demands on domestic production and could divert exports from hard-currency markets to the USSR.

The survey notes the Soviet Union's own success in weathering the worst of the economic storms, and suggests that it will keep a stable external financial position despite the oil price slump.

It also notes the improved creditworthiness of the Eastern bloc and its re-entry into the Eurocurrency markets. But, it adds, prospects for Poland remain bleak in the absence of more effective domestic policies and large new foreign credits.

Yugoslavia's situation had improved, but further cuts in the trade and current account deficits, as well as lower inflation, were needed to enable it to continue managing its debt.

Bangkok in lease purchase plan for Singapore buses

THE Bangkok Mass Transit Authority of Thailand (BMTA), plans to buy 500 buses from Motor and Leasing of Singapore under a Baht 500m (£12.5m) lease-purchase agreement, Mr Pichate Sathiracbawal BMTA managing director said yesterday, **Reuter reports from Bangkok.** Leyland Bus Consortium of the UK is competing for the contract.

The agreement, over seven years, is subject to Thai Government approval in June and provides that portions of lease payments be used towards the purchase of the leased vehicles.

BMTA has no concluded negotiations with Motor and Leasing over its proposals for a bus service modernisation project worth an estimated baht 6bn, be added.

The modernisation project includes construction of bus depots and workshops, and the supply of management and technical services, Mr Pichate said.

He added that BMTA rejected a £94m proposal by the Leyland Bus Consortium, a unit of Britain's BL, to modernise the capital's bus service because, he claimed, Leyland wanted the plan to be supported by the Thai government.

Leyland Bus, however, said yesterday it was still talking to the BMTA.

The government earlier rejected a £335m plan by Leyland to equip and modernise BMTA due to costs involved.

Oil price fall has created difficulties for Helsinki, Olli Virtanen reports

Clouds over Finnish trade with Moscow

THE SHARP decline in oil prices, a blessing to most economies, has cast more clouds over Finland's trade with the Soviet Union than any event since the Second World War.

The oil price fall could result in the value of Finland's imports from her neighbour declining by as much as a third, both this year and in 1987, and inflict a serious blow to Finnish exports.

Adding insult to an injury the Soviets have begun to drive very hard bargains and are now publicly proclaiming that Finnish goods are too expensive.

The heady days, in which Finnish companies were cushioned against recession because of lucrative contracts with Moscow, are now a thing of the past.

The problem is simple. The barter trade agreement between the two countries stipulates that imports will be paid for by an equal value of exports. All goods are priced at world market value and the payments are dealt with through a special clearing account at the Bank of Finland which pays Finnish exporters in markkas.

Since 80 per cent of Finland's imports from the Soviet union comprise oil, falling prices have resulted in a decline in the value of imports and consequently, in the long run, will reduce Finland's exports. When the trade agreement was negotiated for this year the price of a barrel of oil stood at $28—now it is around $15.

Total trade between the two countries is planned to be $7.2bn this year. Now the Soviet exports to Finland may drop by as much as $1.1bn.

Helsinki and Moscow have sought urgently to prevent the threatened decline in trade. But Finland is finding it difficult to find new imports from the Soviet Union. As one Finnish observer recently put it "the gap equals 200,000 Ladas but who in Finland would buy the cars?"

Nevertheless the two countries are negotiating on $270m worth of additional imports from the Soviet Union. At the same time the Soviets have indicated that they are prepared to restrict Finnish imports by about $200m this year, although there is no official word on that yet.

Nevertheless officials on both sides still feel optimistic that the gap will narrow considerably before the end of this year.

Another idea being widely discussed is that of more compensation deals in which the Finns would build factories in the Soviet Union and the Soviets would pay for them with products from the plant.

The stumbling-block here is the rate of interest paid while the factory is being built. Moscow does not recognise market rates.

Interest rates also become a problem with the clearing account. Its credit limit for either side is about $400m which means that either is allowed to run a surplus of that size, although no interest is paid on it.

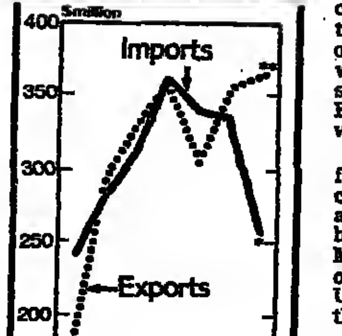
But now Finland may find its surplus rising to three times the limit and it will still receive no interest.

Finnish officials will take up the matter in mid-June when the Soviet Foreign Trade Minister Boris Aristov makes an official visit to Helsinki. The last time Finland ran a large excess surplus Moscow paid interest of 6 per cent, a level far below the market interest rate at the time.

Now, partly as result of Finland's surplus, Moscow has begun to say Finnish goods are too expensive, and to complain particularly about the price of Finnish vessels, an important part of the barter trade.

The Soviet commercial counseller in Helsinki recently accused Finnish yards of pricing ships well above world prices. The Finns point out that their prices are higher because other yards are subsidised by as much as 40 per cent. Finnish yards do not receive subsidies.

Finland's trade with the Soviet Union



The implied threat to shipbuilders is serious. They sell an aggregate 60 per cent of their output to the Soviet Union, and there are already signs that the Soviets have turned to other countries.

Another recent example of hard Soviet bargaining was the Rautaruukki railway rolling stock factory. It was built with the sole purpose of making freight wagons for the Soviet Union.

Now, several months after completion of the factory the two parties are still haggling over the price for one type of wagon. The problem is the same as with the ships: the Finnish price compared to the world price.

Other Finnish industries are feeling the pinch. Textiles, clothing and footwear exports are particularly hard hit and have already been reduced. Many of the companies invested only for export to the Soviet Union and cannot make good the loss in other markets.

The same applies to construction companies which are still managing to win the occasional project across the border, but say there will be no returning to the billion-dollar deals of the Seventies.

Even if Finland's surplus were to decrease as a result of the negotiations there is little hope of trade getting back to the old growth track. Many companies have therefore started to concentrate on Western markets. A high-ranking Finnish trade official recently estimated that exports to the West should increase by 10 per cent this year to compensate losses in the trade with the Soviets.

US, Canada set for trade talks

BY BERNARD SIMON IN TORONTO

US and Canadian officials meet in Ottawa today to launch what are expected to be lengthy and controversial negotiations on a free trade agreement between the world's two biggest trading partners.

With confusion still surrounding the scope of the talks and the mandate of the negotiators, no substantive progress is expected for some time.

There is doubt in both Ottawa and Washington whether the talks will be completed before the US team's negotiating mandate from Congress runs out in January 1988.

The free trade initiative is a key element in Canadian Prime Minister Brian Mulroney's foreign and economic policy. The Canadians have formed a 100-strong negotiating team led by Mr Simon Reisman, a highly-respected retired civil servant. The American team is headed by Mr Peter Murphy, former US Trade Representative in Geneva.

The Canadians initiated the talks as a means of circumventing protectionist pressures in the US and as part of a much warmer relationship with Washington since the Mulroney Government took office in September 1984.

There is considerable opposition to free trade on both sides of the border. Some US sectors, notably forest products and farming, fear a loss of market share to Canadian exporters helped by Government subsidies and a weakening currency.

On the Canadian side, opposition comes mainly from the province of Ontario, where half the country's manufacturing industry is located, and from trade unions.

Their main concern is that Canadian industries will be swamped by bigger, lower cost US producers, and that US investors will concentrate production south of the border.

Mr Reisman has tried to allay these fears

West Germany to order 35 more Tornadoes

The West German Government is planning to order 35 new Tornado fighters specially fitted for electronic reconnaissance work and the location and destruction of enemy radar, a Defence Ministry spokesman said yesterday, **Reuter reports from Bonn.**

The spokesman said the defence and finance ministries had now reached agreement on the size of the order and it would be presented to parliament for approval next month. The Tornado is built by a British-West German-Italian consortium.

The West German Air Force originally pressed for 40 of the special electronic counter-reconnaissance planes to replace outdated aircraft. The Finance Ministry had argued for only 30. The two ministries compromised on 35.

The spokesman said London would foot the bill for 21 per cent of the cost because Bonn still had credit in Britain from the production of past Tornado models.

The new aircraft will be equipped with reconnaissance gear, jamming devices and rockets to destroy enemy radar positions.

Tennis shoes for China: a different ball-game

By Colina MacDougall

"THE CHINESE have different attitudes from us," said Mr David Chang, vice president of the US sports equipment producer Nike and responsible for the company's joint ventures in China.

"We had problems producing a pure white tennis shoe in Tianjin, a coal burning city in the north where everything is coated with soot. The Chinese couldn't understand that a black speck on the uppers or a grey smudge on the sole ruined the shoe.

"'The soles will get dirty anyway,' they commented. Finally the Chinese manager of the joint-venture factory said: 'Why don't you just specify grey shoes?'".

Nike's adventures are related in a video and handbook pack, explaining business differences between China and the West, and launched in London yesterday by Hawkshead Communications, co-producers of the Heart of the Dragon, the TV series on China.

Mr David Chang, the American Chinese responsible for Nike's China operations, left Shanghai when he was 12 and now cheerfully refers to himself as a "round-eye."

While the video package is optimistic about the long-term benefits of trading with China, it also warns about the promlems.

"The Chinese have different ethics from us," Mr Chang said. "Thay used reject Nike patented soles with pigskin uppers for export to South-East Asia and couldn't understand why we were upset. They thought it was more immoral to destroy the soles.

"We were over-ambitious," said Mr Chang. Starting in China in 1981, Nike's target was to make 25 per cent of global output in China by 1985. "It's still only 5 per cent.

"We don't want joint equity ventures now we prefer co-production agreements," Mr Alan Carnell, commercial director of Racal Decca of the UK, says on the same video.

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AMERICAN NEWS

Mary Helen Spooner looks at obstacles to civilian rule

Pinochet's Chile split over reform

OVER 100 parliamentarians from Latin America and Europe gathered in one of Santiago's smarter hotels this week for a conference on democracy in Chile.

The purpose of the meeting, sponsored by Chilean opposition leeders, was to discuss the country's eventual transition from military to civilian rula.

Chilean authorities permitted the conference to take place, but despatched riot police to cordon off the streets surrounding the hotel, located in the city's centre. While motorists formed a mid-morning traffic jam, police turned eway all vehicles and allowed only pedestrians bearing official invitations to approach the hotel. The area was to remain blockaded for the duration of the conference.

The peculiar blend of tolerance and beavy-handedness illustrates the recent divisions within General Augusto Pinochet's 12½-year-old regime. One faction, beaded by Interior Minister Ricardo Garcia, wants to see the government taka a more moderete approach, opening the way for modifications in the country's authoritarian constitution and allowing free elections in 1989, the year General Pinochet's term in office ends.

Another faction, represented by army officers and several herd line cabinet officials, is vigorously opposed to any such changes.

Late last month, following a rash of bombings and shootings which left one policeman dead and four army officers wounded, Gen Pinochet proposed reintroducing the state of siege which had been lifted since the middle of last year.

The proposal was rejected by the commanders of Chile's navy, air force and police force, who along with the army's vice-commander form the military junta which acts as e legislative body to Gen Pinochet's executive office. As a compromise, the commanders agreed to a series of military and police raids on poor and working class neighbourhoods.

One faction wants a more moderate approach opening the way for modifications in the country's authoritarian constitution and free elections in 1989. The other is vigorously opposed to such changes.

Troops in combat fatigues, civilian detectives, riot police and agents of the Central Nacional de Informaciones (CNI), the widely feared secret police intelligence unit, have staged joint operations in nearly three dozen low income residential sections of Santiago, rounding up thousands of people, mostly men and teenage boys, for identity checks.

According to the Chilean Human Rights Commission, over 15,000 people have been arrested in these sweeps.

The country's restricted newspapers and television news have reported only partially on the raids, referring to them as "military operations" or "revisions." When Santiago's archbishop Cardinal Juan Fresno asked the authorities to put a stop to the raids, a Government spokesman (and one of the Cabinet's hardliners) denied that the prelate had ever made such a request, saying that he had only expressed concern for the manner in which the raids were undertaken.

The regime's more moderate faction has been aided in part by the continuing failure of opposition political leaders to agree on common goals and tactics.

At a recent conference on transitions to democrecy held in Caracas, Venezuela, the Chilean delegation included representatives of no less than three wings of the country's Socialist Party, another four rightist—but anti-government—groups, plus various centrist political groups. If the Pinochet regime's strategy has been to allow opposition groups just enough freedom to divide into various fragmented units, the plan would seem to have worked.

On the other hand, this tolerence could end ebruptly if a new opposition group, consisting of labour, business, professional end other special interest organisations continue a campaign begun last month. The group, calling itself the Netional Civic Assembly, met in a Catholic church refuge outside Santiago and issued a seven-point list of political and economic reforms.

The assembly's roughly two hundred delegates announced they would begin a series of protests, which could include a general strike, if their demands were not met within a thirty-day period ending this month.

Its member organisations include influentiel, and potentially powerful groups such as Chile's lorry drivers, doctors and retail merchants, and could conceivably put together better-organised protest than opposition politicians heve been able to do.

"A prolonged netional strike is a legitimate alternative which social organisations have." Mr Hector Moya, president of the Santiago Truckers' Federation, said. "We think there are sectors which have been so beaten down during the twelve years of this government who naturally will take immediate part in a strike."

Nevertheless, opposition groups in the past have attempted to mount e general strike—and failed. In mid-1980 three copper mine workers unions, truckers, and other trade unions announced an indefinite strike, which was only partially beeded.

In October 1984 leftist political and labour groups called for a one-day general strike, which was ignored by most workers but which did succeed in disrupting activity in much of the capital.

The protest momentum was lost when e few weeks later Gen Pinochet ordered a state of siege, a measure he may be able to convince other military commanders as necessary if the Netional Civic Assembly or other opposition groups manage to organise another anti-government strike.

Riot police seal off a street in Santiago

Baker makes urgent plea on US foreign aid budget

BY STEWART FLEMING IN WASHINGTON

US TREASURY SECRETARY Mr James Baker yesterdey issued an urgent plea to Congress to approve a foreign aid budget large enough to permit the US to meet its obligations to help finance multilateral development agencies, such as the Internotional Development Association (IDA).

Influential Congressmen have warned that they will propose sharp cut-backs in foreign aid in the face of the Reagan Administration's determination to trim back government spending for domestic programmes to cut the federal budget deficit.

However, Mr Baker said that the multileteral development banks (MDBs) were part of America's international economic strategy.

"I strongly believe that if we do not support the MDBs now we may have to resort to more costly measures later," he told the Senate Foreign Relations Committee.

Mr Baker said in conducting negotiations for replenishments of MDB finances the Administration has assumed that it would have up to $1.4bn of budget euthority availeble as requested in the President's budget.

He maintained that the US has been successful in negotiating a four year $3.6bn replenishment of the Asian Development Fund, for which the US share is $146m a year.

He said that the Administration was prepared to support a $10.5bn-$12bn IDA refunding.

US officials heve said that Washington is pressing for increased interest rates on IDA loans of about 4 per cent and shorter loan lives of about 20 years, compared with 50 years at present.

Mr Baker made clear that because of difficulties the US is encountering in securing reforms in the way the Inter-American Development Bank (IADB) commits funds, its role in the debt initietive which was launched last year is still in doubt.

In October last year Mr Baker called for the MDB's in particular the World Bank, to play a bigger role in helping to ease the Third World debt crisis.

He pointed out yesterday that the MDB's "are the most cost effective from a US budgetary perspective. One dollar of budget euthority for the World Bank translates into $60 of lending authority" he added.

Fed moves to bolster US thrift industry

BY PAUL TAYLOR IN NEW YORK

THE US Federal Reserve Board has proposed lifting restrictions between bank holding companies and their savings and loan (S and L) subsidiaries.

The move is seen as an attempt to facilitate the acquisition of troubled S and L's banking groups and thereby bolstering the troubled US thrift industry.

The Fed's proposals come in direct response to a request by Citicorp, the New York-based banking group, which has acquired three failed S and Ls since 1982 — one in California, one in Illinois, and one in Florida. However, it has been required to operate the units as stand-alone subsidiaries under current banking rules.

The existing rules, which require strict separation between banking and S and L subsidiary operations, were designed to prevent banking groups from unfair competitive advantage over locally owned independent S and Ls.

Citicorp has asked the Fed to allow it to market banking products and services through its S and Ls, and the Fed's proposals, which are now subject to public comment, would permit joint marketing and odvertising of such products and services.

The Fed's proposals come at a time when bank regulators are also urging Congress to pass legislation which would permit easier out-of-state ecquisition of troubled commercial banks by stronger institutions.

The proposals, made in response to the problems of mid-American energy and agricultural banks, are likely to rekindle controversy in the banking and thrift industry.

The US thrift industry still faces serious problems with hundreds of S and L's struggling to avoid insolvency.

The Fed's proposals are likely to be opposed by the savings institutions which argue that the traditional barriers between bank holding companies and thrifts should remain in place, but win support from the big banks and the American Bankers Association which has already endorsed them as a "positive development."

The Fed has asked for public comments on its proposals by June 27.

SEC moves to widen case against Levine

By Terry Dodsworth in New York

THE Securities and Exchange Commission (SEC) has widened its investigation in the insider trading case against Mr Dennis Levine, the leading Wall Street investment banker, in an attempt to build a stronger prosecution case in advance of court hearings tomorrow.

In a series of new initiatives, the SEC has subpoenaed Mr Levine's father and brother in an apparent attempt to establish whether he passed information on to close family members. It has also subpoenaed documents at his bank and in companies where he worked, while presenting a new list of company names to his former employees to try and establish any links he may have had with dealing in their shares.

Wall Street lawyers say that the SEC, the watchdog for the US securities industry, is aiming to establish the strongest possible case against Mr Levine before the court hearing into his attempt to transfer $10m to an account beyond the reach of the US courts.

The SEC claims that these funds are part of $12.6m which Mr Levine gained from trading on information not generally available to the public, and gained a temporary restraining order on the bank account last week. If it managed to win its insider trading action against Mr Levine, these funds would normally be confiscated.

Some lawyers contend that the SEC's search for additional documentary evidence against Mr Levine indicates that the commission does not have a cast-iron case against him. Others believe it is designed to put him under pressure to reveal how be obtained his information, and force him to co-operate

Plan to lay off white teachers rejected

By Nancy Dunne in Washington

US CIVIL rights groups have lost the first skirmish of the Supreme Court's season, but may be on their way to winning renewed court backing for plans to remedy past racial discrimination in jobs through "affirmative action" programmes.

In a ruling on Monday, a court rejected a Jackson, Michigan school board's plan for laying off white teachers before black teachers in an effort to preserve minority gains. Five of the nine justices ruled the plan unconstitutional, but the court revealed a striking lack of unanimity by issuing five separate opinions, none of which were joined by more than three justices.

The majority agreed that the rights of white teachers had been violated by e plan which had not been ordered by any court. There was no proof, the court said, that the school board had ever discriminated against minorities.

They spurned the argument that the school board was redressing general societal discrimination and said the idea of hiring black teachers to provide "role models" for black students could not justify discrimination in lay-offs.

The justices, who were acting in the first of three major affirmative action cases scheduled for this term, appeared to agree, however, on the desirability of positive discrimination plans to remedy past hiring discrimination and to reject the Reagan Administration argument that such plans should benefit only specific victims—an argument which threatens most large-scale affirmative action schemes.

Dubinin for Washington

THE Soviet Union yesterday named Mr Yuri Dubinin, a veteran diplomat who was appointed Soviet ambassador at the United Nations just two months ago, as its new ambassador in Washington, *AP reports from Moscow.*

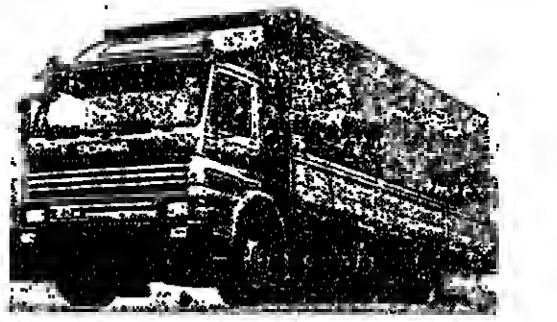
Mr Dubinin, who served seven years as ambassador in Madrid, replaces Mr Anatoly Dobrynin, who returned to Moscow after 24 years in Washington. Mr Dobrynin has become one of the influential secretaries of the Communist Party central committee.

The announcement of Mr Dubinin's appointment on the official news agency Tass did not say who would take his place at the UN in New York.

Born in 1930 and a career diplomat since 1955, Mr Dubinin left Madrid in February after serving as ambassador to Spain since October 1978.

He is a noted Hispanic specialist, having served previously as head of the Southern Europe office of the Soviet Foreign Ministry, and was counsellor at the Soviet Embassy in Paris from 1964 to 1968.

Spanish diplomatic sources said while Mr Dubinin was in Madrid he was very close to Mr Andrei Gromyko, former Soviet Foreign Minister, who became President last July, and once served as his interpreter.



UK NEWS

Jail peace formula questioned by staff

By Mani Deb

PRISON officers expressed doubts yesterday about accepting a peace formula offered by the Home Office to settle the dispute over changes in manning levels.

The delegates at the annual conference of the Prison Officers' Association (POA) heard that the picture was still confused over the right to "negotiate" any changes in work practices.

A letter from Sir Brian Cubbon, Home Office Permanent Undersecretary, on May 13 had set out a disputes procedure which the POA executive regarded as a major concession. However, Mr Gordon Lakes, deputy director general of the Prison Department, sent a telex to the prison governors the same day saying that "no concessions" had been made to the union on this issue.

Delegates questioned whether there was a basis for settlement in view of this contradiction.

"Who was telling the truth – Cubbon, the national executive, or the Prison Department?" asked one delegate.

This theme was repeated by a majority of the 28 speakers who took part in an emergency debate on the prison dispute which in April erupted into violence and vandalism by prisoners, soon after the POA imposed an overtime ban.

The conference was told by Mr Alan Taylor, vice chairman of the union, that the Cubbon letter offered the best form of words for a procedure to settle the dispute. He dismissed the Lakes telex to the governors as "a public posturing" of a management that had been defeated.

The delegates were asked to consider a form of ballot agreed by the POA and the Prison Department that would decide the end of the action.

It said that, "pending the possible introduction of a national disputes procedure, when governors and local branches seek to alter existing agreements, they should first give 14 days' notice of their intention to allow for discussions of the proposed changes.

"If there is no agreement, either side could seek the introduction of a higher level (regional or national executive member). The aim of both sides is to see local disputes settled at local level."

Miners' union again fails to end receivership

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE NATIONAL Union of Mineworkers (NUM) has once again failed to rid itself of the receivership that has deprived it of control of its funds for nearly 18 months.

A High Court judge yesterday adjourned until next month the union's application to end the stewardship of the receiver, Mr Michael Arnold, of City chartered accountants Arthur Young.

Mr Justice Mervyn Davies said that he was satisfied that the NUM's property would be in safe and capable hands if put under the control of the union's new trustees – two Labour MPs, Mr Alex Eadie and Mr Mick Welsh, and Mr John Cummings, leader of the Easington (County Durham) council.

The judge said, however, that an obstacle to the ending of the receivership was a breach of trust action brought by Mr Arnold against a number of banks and NUM officials. The action concerns the transfer abroad of NUM funds shortly before the pit strike began in March 1984.

It was plainly desirable that that action – which this week had yielded £800,000 through a settlement with one of the banks – should be continued. Although the new trustees were willing to take over the action, the judge thought the prospects of success would be better if Mr Arnold continued the litigation.

The judge adjourned the hearing for counsel to see if it was technically possible to split the receivership – leaving Mr Arnold in charge of the breach of trust action and certain other outstanding matters while giving the trustees control of the union's property.

"This is a possibility that appeals to me," the judge said.

His decision means that the receivership will remain in force until at least early next month, because the High Court vacation starts at the end of this week. Mr Arnold at present controls about £8m of the NUM's funds.

The judge had been told by Mr Gavin Lightman, QC, for the NUM, that it had given an unqualified assurance that it would not interfere with the trustees' conduct of the breach of trust action if it were handed over to them. The receivership had fulfilled its purpose and it would be oppressive to prolong it, he said.

ICI makes production switch

BY TONY JACKSON

ICI is to withdraw from bulk production of polyester fibres with the loss of 300 jobs at Wilton in Teesside, north-east England. The group is to switch its capacity to production of polyethylene terephthalate (PET), the fast-growing packaging plastic in which ICI is European market leader.

The company said it had been losing money for years in polyester staple fibres, used for polyester cotton clothing and fillings for duvets and pillows. The group was one of 14 producers in Europe, with only a 6 per cent share. It said that European industry capacity was 440,000 tonnes per year, but around 100,000 tonnes were surplus to demand.

European market leaders are Hoechst of West Germany, Du Pont of the US and Rhône Poulenc of France.

ICI's share of the European PET market is over 50 per cent, with capacity of 55,000 tonnes a year out of a European total of some 100,000 tonnes. PET has grown rapidly since its commercial introduction in the early 1980s, being widely used as a substitute for glass in clear plastic bottles and making inroads into food packaging.

The PET capacity at ICI is to increase by 10,000 tonnes in the first instance. The group said that when polyester had been wholly phased out over the next two to three years, there would be scope for a further increase of 20,000 tonnes, but this had not yet been cleared by the board.

ICI said it hoped to avoid enforced redundancies as a result of the latest move. Redeployment opportunities would be sought elsewhere in the group and outside.

Employment in ICI's fibres division in the UK has halved since 1979, from just under 10,000 to just over 5,000.

Work starts on docklands airport

BY LYNTON MCLAIN

WORK STARTED on an airport in London's disused docklands yesterday when Mr Michael Spicer, Parliamentary Under-secretary for Transport, made the first excavation.

The £18m London City airport is being built by John Mowlem six miles from the Bank of England. "The project can hardly fail to succeed," Mr Spicer said.

The company has taken a 125-year lease on a 90-acre site around the Royal Albert and King George V docks, owned by the Port of London Authority. John Mowlem will operate the airport when it comes into use in the third quarter next year.

Three UK airlines have applied to the Civil Aviation Authority (CAA) to start short-range services from the docklands airport. Brymon, British Air Ferries and British Midland Airways are all interested in starting services, but all are waiting for the CAA to announce the dates of hearings into their route licence applications.

The services proposed include flights from docklands to Paris, Amsterdam and regional airports in the UK.

Brymon was the original supporter of the concept of an airport on the disused wharves. Forty per cent of the airline is owned by the state-owned British Airways.

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UK NEWS

BR's workshops to lose up to 5,000 more jobs

BY ANDREW FISHER, TRANSPORT CORRESPONDENT

UNION LEADERS gave a warning of possible strike action yesterday after British Rail (BR) said that up to 5,000 more jobs would be lost at its manufacturing and repair works over the next three years.

Together with job losses already notified to the unions, the total of BR redundancies in these divisions and at its depots could approach 8,000 people.

BR said its reduced maintenance needs, as new and tougher equipment was introduced, meant that between 4,200 and 5,000 more jobs would have to go at British Rail Engineering Ltd (Brel) works up to 1989.

It has already told unions of 1,750 planned redundancies and it also intends to cut the labour force at its regional depots by 900 over three years. BR will close 16 maintenance depots out of more than 100.

Mr Jimmy Knapp, general secretary of the National Union of Railwaymen (NUR), said he would recommend to its executive committee that members be ballotted on industrial action, including possible strikes.

Last summer, however, guards voted against industrial action over driver-only trains.

"It's a devastating blow. It's a black day for our railway workshops," Mr Knapp commeoted on the job losses. He claimed BR was concerned less with efficiency gains than with the possible privatisation of Brel.

"What we've seen emerge today is for us a horrendous and horrific picture that presents a bleak prospect for the future for thousands of our people," Mr Knapp added.

Mr John Palette, BR's personnel director, said the job cuts were not dictated by the aim of privatising Brel, which now employs just under 23,000 people compared with 35,000 six years ago.

Unions, he said, had been told that BR was considering the future of Brel, including possible privatisation. No decisioo bad been taken and the Government would be told of BR's views on the various options. He said the latest job cuts were aimed at saving BR at least £30m a year on its maintenance bill, now over £300m.

The main impact will fall on the maintenance workshops at Doncaster in Yorkshire, Wolverton in Buckinghamshire, Eastleigh in Hampshire and Springburn in Glasgow.

Jobs in the manufacturing workshops, where Brel competes in the home and foreign markets, will be reduced by about 1,300 to 12,200 mainly affecting Crewe, Derby and York. The cuts, not including headquarters staff reductions, will be after the Brel workforce comes down to 21,000 by next year.

Mr Alex Ferry, general secretary of the Confederation of Shipbuilding and Engineering Unions (CSEU), said its railways sub-committee would decide today whether to ballot members of the seveo unions involved. He said the joh cuts would strongly undermine the UK's specialist ability in manufacturing locomotives and coaches.

"Last week, it was shipbuilding, this week it's railways," he said in a reference to the 3,500 redundancies announced by British Shipbuilders

● Mr Nicholas Ridley, the Transport Secretary, faced bitter personal criticism from Labour MPs in the House of Commons yesterday as he announced details of the Brel redundancies, Kevin Brown writes.

There were also repeated claims from opposition MPs that the redundancy package was part of a plan to prepare Brel for privatisation.

Peace talks begin in power dispute

BY PHILIP BASSETT, LABOUR EDITOR

POWER ENGINEERS are convinced that there is little support among manual workers in the electricity supply industry for the overtime ban proposed by their unions to come into effect this weekend over pay and grading.

Talks on the dispute between leaders of the four manual unions and the Electricity Council, representing all 12 area electricity boards, were still in progress late last night.

Those involved in the talks were convinced that unless they went very badly wrong, a settlement to the dispute was likely before the manual workers' overtime ban starts at midnight on Sunday.

A further indication of the likelihood of a settlement emerged yesterday when it became clear that the employers had a private pre-meeting on Monday with officials of Acas, the conciliation service. The unions had a similar meeting yesterday, thus clearing the ground for full-scale conciliation when the talks got properly under way.

The executive council of the Amalgamated Engineering Union yesterday approved the union's stance in the dispute, but said it hoped that the talks would lead to a settlement.

Part of the reasons behind the thinking that a settlement is likely may well be the unofficial soundings taken among engineers in the power stations that there is little support for an overtime ban.

Overtime earnings for manual workers in the industry are quite high. According to government figures in the latest New Earnings Survey, overtime accounts for 11.5 per cen, or £21.60, of the £187.60 average earnings of manual employees.

Power engineers ere convinced that the prospect of the loss of these and higher earnings is undermining what support there is for an overtime ban, although they believe that among the largely semi-skilled or unskilled workforce, there is in particular little backing for the manual unions' claim for a new, bridging grade which would benefit only a small number of top-skilled workers.

The Electrical Power Engineers' Association (EPEA), the engineers' union, has told the manual unions that in the event of industrial action taking place, its members will do their own work only on the condition that no major damage is threatened to the national grid (power distribution system).

This is a normal rider from the EPEA, but the engineers feel that the strategy of cumulative action from the manual workers, especially if it strayed from the control of union leaders, raises the possibility of such damage – at which point EPEA members would be likely to step in and take over fully.

The EPEA has written to the manual unions asking for their cooperation in ensuring that such an emergency does not arise.

Rival bids for Berisford referred to commission

BY ANDREW GOWERS

THE TWO rival bids for S. & W. Berisford, the commodity trading and processing group, were put into cold storage yesterday when Mr Paul Channon, the Trade and Industry Secretary, ruled that they should both be referred to the Monopolies and Mergers Commission.

The commission, following a recommendation from Sir Gordon Borrie, the Director General of Fair Trading, has been asked to report within six months on the proposed acquisition of Berisford by either Tate & Lyle, the cane sugar refining group, or by Hillsdown Holdings, the UK food and furniture group.

Both bids have aroused controversy because they involve British Sugar (BSC), the UK beet-processing monopoly owned by Berisford.

Tate & Lyle, which has been suffering from a bitter price war in the UK market, is keen to acquire BSC and sell Berisford's core commodity trading businesses back to its senior management. But acquisition of British Sugar would give Tate control of about 94 per cent of the UK sugar market.

Although Hillsdown has no sugar interests at present, Mr Channon has evidently decided that any change of ownership of BSC warrants consideration by the Monopolies Commission

"The Secretary of State considered that the proposed acquisition by Tate & Lyle raised issues of competition in the sugar market and that both proposed acquisitions raised wider issues of public interest arising from a change of ownership of British Sugar, given the special nature of the sugar market and British Sugar's place in it," said the Department of Trade and Industry.

These considerations include Britain's place in the EEC sugar regime.

Lex, Page 20

United may move titles from Fleet Street base

BY RAYMOND SNODDY

UNITED NEWSPAPERS is considering moving its national newspapers out of Fleet Street in central London. The company, which published the Daily Express, and Sunday Express and The Star, a popular daily, is going to review all options including the possibility of moving to contract printing.

Senior United executives emphasise that no decision has yet been taken.

The intention is to decide this year whether or not to stay in Fleet Street. If United were to decide to join several other national newspapers and build a printing plant in London's Docklands, the aim would be complete the move within two years.

The news of the review emerged after United's annual meeting yesterday at which Mr David Stevens, chairman, told shareholders that Express Newspapers – bought as part of the purchase of Fleet Holdings for £317m last October – were now trading at a profit. The national titles had moved into loss last June as circulations slipped.

"A further substantial improvement in profit should be attainable subject to competitive conditions," Mr Stevens promised.

He declined to give further details of the present level of profit. But it is believed that profits of more than £30m are likely next year, a figure which could increase further when plans to move to single-keying (journalists typing articles directly into electronic systems) are implemented.

Thatcher will name successor to Joseph

THE LONG-AWAITED Government reshuffle to replace Sir Keith Joseph as Education Secretary will almost certainly take place later today, Peter Riddell writes.

There was considerable speculation among ministers and Tory MPs last night about the identity of the new Education Secretary, but there were no firm indications amid the conflicting gossip and rumours.

The timing is apparently because Sir Keith is going to the US oo Thursday and wants to have his successor named by then. He will probably remain within the Cabinet, however. Indications are still that the reshuffle will be relatively limited, involving a new Education Secretary and a few consequent changes.

☐ **AMERADA HESS**, US oil company, has asked the Departmeot of Energy, for permission to postpone for one year a $400m North Sea development project because of the fall in the oil price.

This would be the first time that a North Sea operator has backed off from a major project after receiving official approval under the "Annex B" procedures. The project is in the Ivanhoe/Rob Roy field about 90 miles north east of Peterhead. The first oil bad been due to start flowing in 1988. The field was expected to produce 50,000 barrels per day from its 80m barrels of reserves.

Postponement would be seeo as an awkward precedent by ministers who are anxious to keep up the momentum of exploration and development in preparation for the tenth licencing round expected to get under way this summer.

☐ **TOURISTS** visiting Britain this year will reach record numbers in spite of fears over possible terrorist actions, Mr David Trippier, Employment Uoder-secretary, told the House of Commons.

He said that the British Tourist Authority had forecast that 15.1m overseas visits would be made this year, an increase of 4 per cent on last years' record 14.5m. The number of American tourists was likely to fall by 15 per cent, implying a 3 per cent cut in total tourist spending.

☐ **PROPOSALS** of the Top Salaries Review Board, which settles the salaries of senior civil servants, judges and some others, should be implemented in a way that would "give a lead to the country," a Tory MP told Mrs Margaret Thatcher, Prime Minister, in the House of Commons.

Mr Andrew McNair-Wilsoo said this would accord with ministerial insistence on the continued importance of pay restraint. Mrs Thatcher said an early statement would be made.

☐ **PILKINGTON**, the glass group, is to close its rock wool insulation factory at Stirling in Scotland with the loss of 257 jobs. The group blamed declining demand and the plant's "wholly disadvantageous" location.

Pilkington bought the Stirling plant and another at Queensferry, North Wales for £8m from Cape Industries less than 18 months ago. The Queensferry plant is to be expanded to create 80 jobs.

☐ **CHELSEA** and Fulham football clubs could eventually share a purpose-built stadium in West London as the result of a £9m takeover deal.

Marler Estates, the property company which already owns Chelsea's Stamford Bridge football ground, said yesterday that it had agreed to acquire Fulham Football Club and its Craven Cottage ground for £5.5m in cash and the repayment of loans and creditors totalling some £3.5m.

SIEMENS

Information for Siemens shareholders

9,000 additional employees

Strong rise in capital investment – continuing growth in German domestic business

The cyclical nature of the power plant business and above all the increased strength of the German mark against the dollar had an adverse effect on the percentage changes during the first six months of the current financial year, the period from 1 October 1985 to 31 March 1986. If the power plant business is excluded, German domestic sales rose by 10% and domestic new orders by 7%. Siemens anticipates continuing growth in domestic and international business and as a result has recruited 9,000 additional employees and boosted capital investment by 69% to £657m.

Sales

During the first six months of last year, Siemens sales grew by a significant 33%, to £7,771m owing to the billing of two nuclear power plant contracts (Gundremmingen C and Grohnde). Because no nuclear power plant was billed in the first half of the current financial year, Siemens world sales have dipped 18% to £6,401m. Excluding the power plant business, Siemens recorded a slight growth in total sales, including a strong 10% rise in domestic business. In real terms, international sales were also higher than last year.

in £m	1/10/84 to 31/3/85	1/10/85 to 31/3/86	Change
Sales	**7,771**	**6,401**	**−18%**
Domestic business	4,335	3,011	−31%
International business	3,436	3,389	− 1%

New orders

The level of new orders reflected the absence of new power plant contracts in the Federal Republic of Germany and the effect of exchange rate fluctuations on international business. As a result worldwide order intake, at £7,263m, was 13% down over the same period last year. Without the power plant business, domestic order bookings rose by 7%. Siemens anticipates that new orders worldwide will exceed £15,000m over the current financial year.

in £m	1/10/84 to 31/3/85	1/10/85 to 31/3/86	Change
New orders	**8,364**	**7,263**	**−13%**
Domestic business	4,072	3,310	−19%
International business	4,292	3,953	− 8%

Orders in hand

Orders in hand moved up 3% to £16,177m during the first six months. Inventories were increased to £5,786m (last year £5,159m) primarily in support of long-term systems business.

in £m	30/9/85	31/3/86	Change
Orders in hand	**15,696**	**16,177**	**+ 3%**
Inventories	**5,159**	**5,786**	**+12%**

Employees

Following the 20,000 new jobs created last year, the total number of employees was again increased by 9,000 to 357,000 over the first half of the current financial year. The workforce was expanded by 5,000 in the Federal Republic of Germany and Berlin (West), and 4,000 people were added abroad. An average of 352,000 employees were on Siemens' payrolls during the six months under review, 6% more than for the same period last year.

in thousands	30/9/85	31/3/86	Change
Employees	**348**	**357**	**+ 2%**
Domestic operations	240	245	+ 2%
International operations	108	112	+ 3%

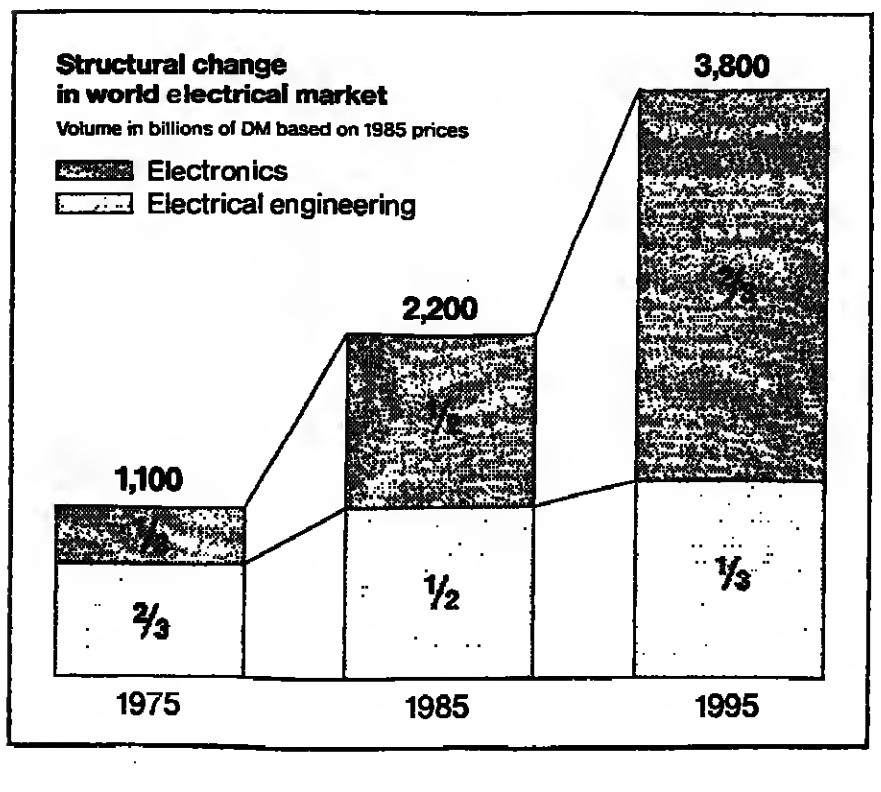
	1/10/84 to 31/3/85	1/10/85 to 31/3/86	Change
Average number of employees in thousands	**332**	**352**	**+ 6%**
Employment costs in £m	**2,742**	**2,962**	**+ 8%**

Capital spending and net income

Siemens increased capital expenditure and investment to £657m during the first six months, 69% above last year's comparable figure. Capital spending of around £175m is planned for the entire financial year.
Net income after taxes was £185m, yielding a net profit margin of 2.9% as against 2.8% for the entire 1984/85 financial year.

in £m	1/10/84 to 31/3/85	1/10/85 to 31/3/86	Change
Capital expenditure and investment	**389**	**657**	**+69%**
Net income after taxes	**185**	**185**	**0%**
in % of sales	2.4	2.9	

All amounts translated at Frankfurt middle rate on 31/3/1986: £1 = DM 3.443.



Structural change calls for high rate of investment

Ten years ago, electronics accounted for one third of the world electrical market, by 1995 its share will have risen to two thirds. Siemens was quick to respond to the transition from electromechanical technology to electronics and today half of its sales consist of electronic equipment and systems. This has required considerable capital expenditure, and will continue to do so. Consequently, during the current 1985/86 financial year, Siemens will once again increase R&D expenditure from £140m to roughly £160m and boost capital spending from £120m to around £175m.

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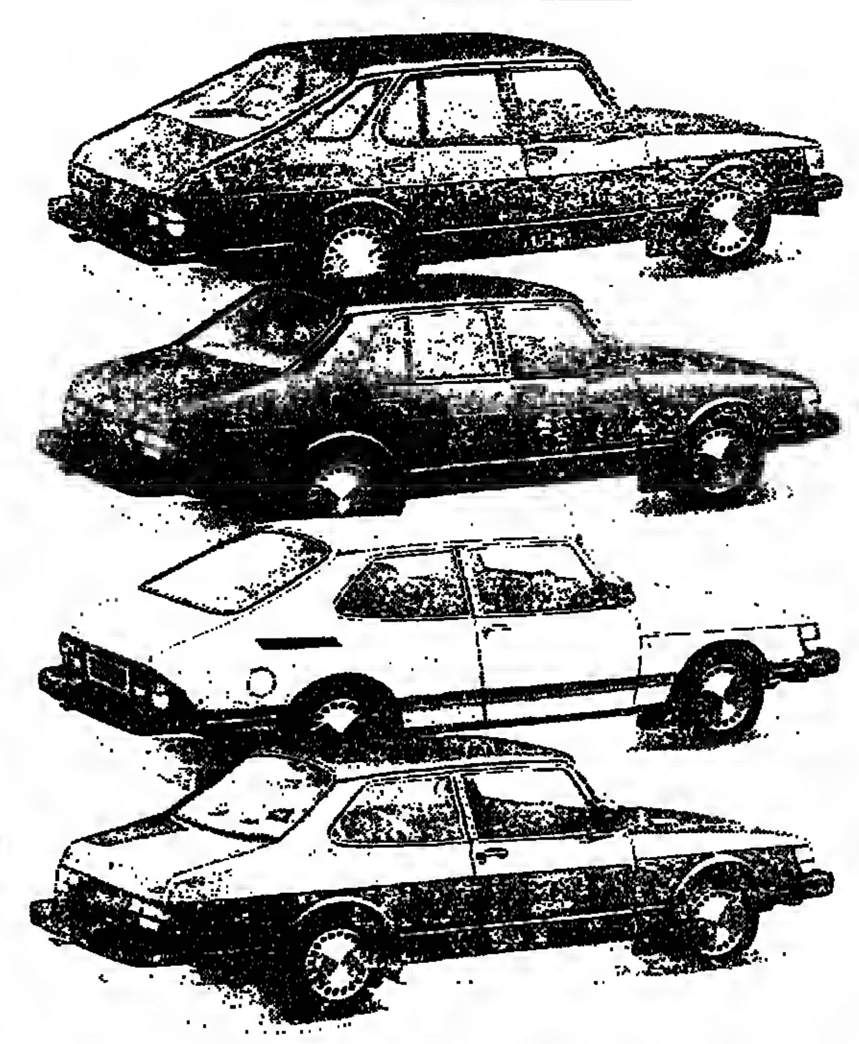

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Contracts and Tenders

ALGERIE - الجزائر

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ET POPULAIRE
(Algerian Popular Democratic Republic)
MINISTERE DU COMMERCE ALGERIE
ENTREPRISE NATIONALE D'APPROVISIONNEMENT EN
PRODUITS ALIMENTAIRES
AVIS D'APPEL D'OFFRES INTERNATIONAL
NUNERO: 11/86

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Les Soumissionnaires doivent adresser par telex leurs offres a leur ambassaré a Alger, qui les transmettra sous plis cachete a l'enapel, 29, rue Larbi Ben m'Hidi — Alger. Les plis devront etre remis sous enveloppe anonyme portant uniquement la mention " Avis d'appel d'offre numero 11/86."

La date limite de depot des offres est fixee au 6 juin 1986.

anep/alger

ALGERIE - الجزائر

REPUBLIQUE ALGERIENNE DEMOCRATIQUE
ET POPULAIRE
(Algerian Popular Democratic Republic)
MINISTRY FOR ENERGY & CHEMICAL & PETROCHEMICAL INDUSTRIES
NATIONAL OIL EXPLOITATION COMPANY
NOTICE OF INVITATION TO TENDER
NUMBER 9230.AY/MEC

The National Oil Exploitation Company is launching a national and international open invitation to tender for the supply of:

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DIRECTION DES APPROVISIONNEMENTS

with effect from the date on which this notice is published.
Offers, of which five (05) copies should be prepared, must be sent in a double-sealed envelope by registered mail, to the Secrétariat de la Direction Approvisionnements at the above address.

The outer envelope should not bear any mark that might identify the tenderer, and should read: "APPEL A LA CONCURRENCE INTERNATIONAL NUMERO 9230.AY/NEC." (CONFIDENTIAL — A NE PAS OUVRIR).
The final date for receipt of tenders is fixed at 45 days from the first publication of this notice.

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Legal Notices

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NOTICE IS HEREBY GIVEN pursuant to Section 588 of the Companies Act 1985 that a Meeting of the creditors of Moonlight Reproductions Limited will be held at the offices of
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on Tuesday, the 3rd day of June 1986 at 3.00 o'clock in the afternoon, for the purposes provided for in Sections 589 and 590.

Dated the 14th day of May 1986.
R. J. LEVY, Director

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ALGERIE - الجزائر

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MINISTRY FOR ENERGY & CHEMICAL & PETROCHEMICAL INDUSTRIES
NATIONAL OIL EXPLOITATION COMPANY
NOTICE OF INVITATION TO TENDER
NUMBER 1185/6J/MEC

The National Oil Exploitation Company is launching a national and international open invitation to tender for the supply of the following equipment

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Companies interested in bidding may obtain the Specificatione on payment of 400.00 Algerian dinars from the following address:

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Selection will be made within 180 days of the closing date of this invitation to Tender.

anep/alger

UK NEWS

Tenth of workforce now employed in tourism and leisure

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

NEARLY ONE in every 10 of the UK labour force is now employed in the tourist or leisure industries and the sector is one of the key job creators of the late 1980s.

That is the conclusion of a new report published yesterday by the English Tourist Board, based on a study carried out by the Institute of Manpower Studies.

The report shows that employment in tourism and leisure has grown by more than 300,000 in the past decade, with more than 2m people now employed in the sector.

"The study highlights the widespread regional distribution and the wide variety of job opportunities in tourism and leisure," Mr John East, chief executive of the board, said yesterday.

"Its conclusions should go a long way to promoting a more positive attitude to employment in the expanding tourism and leisure industries – too often dismissed in the past as 'candy-floss' jobs in a 'lightweight' industry."

The report shows that seasonal employment is now a relatively minor feature of tourism and leisure occupations. Some two thirds of men working in tourism and leisure are employed full-time, with a third of women workers in full-time jobs.

In addition, the report shows that tourism and leisure is one of the few sectors in the economy in which demand for manual workers has been rising.

The hotel and catering trades have experienced the most growth over the past decade, the report says. Employment rose by 270,000 between 1975 and 1985, representing a growth rate of 41 per cent over the period.

More than 900,000 people in total are employed in hotel and catering, with many others either self-employed or working part-time. Some 28 per cent of employees work in hotels, with a similar number employed in public houses and bars.

The report says the need for hotel managers is expected to grow faster than for most other occupations in the late 1980s as a result of the industry's expansion. "This has come about because of the development of tourism, the growing business and conference trade, and people's changing leisure activities."

Moreover, in spite of increased automation in the kitchen, job opportunities for cooks and chefs have continued to expand rapidly. The report also shows that opportunities for the young are more extensive in hotels and catering than in other sectors.

Employment in entertainment, leisure and related facilities has grown significantly since the mid-1970s, the report shows. More than 500,000 people are working in these sectors, a quarter of them employed by local authorities directly supporting tourism and leisure, especially sports facilities.

The number of sports and leisure centres in the UK has risen sharply since the 1960s when there was only one sports centre in Britain. Now, the report shows, there are more than 1,000 sports centres mostly run by local authorities.

Graduate recruitment in tourism and leisure has been increasing sharply since the early 1980s, particularly in travel and transport.

Jobs in tourism and leisure: an occupational review; published by the ETB, 4 Bromells Road, London SW4; price £5.

Mersey Docks makes £3.2m trading profit

BY IAN HAMILTON FAZEY, NORTHERN CORRESPONDENT

THE MERSEY Docks and Harbour Company yesterday reported a trading profit of £3.2m in 1985, a 69 per cent increase on the previous year's figure of £1.9m. Turnover increased by £3m to £53m.

After taxation the profit was £2m, compared with a loss of £334,000 in 1984. The profits were made despite the port of Liverpool being overmanned by more than 200 dockers, whose wages added £2.3m to costs.

Mr James Fitzpatrick, the chairman, said yesterday that the port had held or increased its share of trade and some groups of workers had already agreed a two-year pay deal at 4 per cent each year. Negotiations were under way with the dockers for another two-year agreement.

He was confident about 1986, especially about the Liverpool freeport, which he claimed as the UK's most successful. The freeport handled £24m of goods in 1985 and attracted three full shiploads. Both figures were passed in the first quarter of this year and numbers of shiploads had risen to eight already.

Numbers of containers handled last year rose 13 per cent to 89,000. The main customer, the Cunard group's ACL, now described Liverpool's turnround – 12 hours overall, with 10.5 hours at berth – as the fastest in Europe.

Grain cargoes rose 15 per cent to 1.47m tonnes while timber was up 6 per cent at nearly 190,000 tonnes. General cargo was down 3 per cent at 450,000 tonnes because of a switch to containerisation by some South American traffic.

Mr Fitzpatrick said: "The burden of surplus labour, the most significant problem the company has to face, continues to confront the port with major difficulties for the future."

Liverpool has 1,632 registered dock workers at present and, under the national dock labour scheme, only voluntary severance is possible.

Research opportunities widening, says report

BY DAVID FISHLOCK, SCIENCE EDITOR

SIR KEITH JOSEPH, Secretary for Education and Science, has been told by Prof Sir David Phillips, his chief scientific adviser, that there is much scope for the private sector to help to fund joint research with universities and research councils.

This is the main conclusion of a working party of the Advisory Board for the Research Councils, headed by Sir David, which advises Sir Keith Joseph on the science budget.

Sir David also gives a warning of the "considerable ignorance and misunderstanding" between academic scientists and industry about the intrinsic value of science.

The working party, under Prof Peter Mathias, Chichele professor of economic history at Oxford University, was asked to investigate ways of attracting more private-sector cash to augment a science budget pegged by government curbs on spending. Prof Mathius said yesterday that it had uncovered "an extraordinary ferment of activity" in British universities.

One consequence of the 1981 cuts in university funding had been to "sharpen minds throughout universities at all levels" to the potential of private funding.

Prof Mathius said his working party had concluded that it was possible to use public-sector funds deliberately to attract more money from the private sector, both in universities and polytechnics and within the research councils.

The study is in favour of British companies being required to publish details of their research investment in their annual reports – a proposal the Government has previously resisted, although it is a statutory requirement in the US.

Prof Mathius said there was general agreement in the group that the Alvey programme of joint Government-industry funding for a pre-competitive research programme was both a success and what he called a pathfinder for the kind of joint research effort it had in mind.

Sir David Phillips said the report demonstrated that the problem was not simply a matter of the efficiency with which ideas were being transferred from academia to industry. It was the efficiency of transfer in all directions, including the way industry fed its own thinking back to the academic world.

Report of the working party on private sector funding of scientific research. Available from the Department of Education and Science, Publications Despatch Centre, Honeypot Lane, Canons Park, Stanmore, Middlesex HA7 1AZ. No charge.

Vivisection law in force

BY TONY JACKSON

THE FIRST government legislation on animal experiments for 110 years became law yesterday. The Animals (Scientific Procedures) Act 1986 replaces the pioneering Cruelty to Animals Act of 1876.

The chief provisions of the act are to make individual research projects, as well as scientists, subject to specific approval. The Home Secretary is to become directly responsible to parliament for the work he authorises. He will have to take account of the recommendations of a new Animal Procedures Committee, made up of scientists and laymen, which will report to him annually.

The new act has been criticised by militant animal welfare groups as being ineffective. In particular, nothing allowed under the 1876 act is specifically prohibited under the new legislation. Pressure groups had hopes that use of animals in testing cosmetics and in tobacco research would be banned.

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Robin Reeves looks at Wintech's role as technology broker for small and medium-sized Welsh enterprises

Cooking up combinations of good ideas and practical products

MR ALWYN HUGHES, director of Mellaforce, a London-based retail services company, was fitting out a large restaurant in Leeds when the idea came to him of "Autocall"—a simple electronic signalling system to improve communication between chef and waiter.

In the past, Mellaforce had turned to Japan to translate business ideas into practical products. Mr Hughes was about to do so again when it was suggested he also try the Welsh Development Agency to see if this particular product could be designed and manufactured in his native Wales.

Mr Hughes quickly found himself talking to Dr Clive Thomas, founder of the agency's new Wintech division. Dr Thomas put him in touch with electronic consultants, Ctronix of Cowbridge, South Glamorgan, who not only came back with a product design within two days (Japan had taken a month), but also with a tender price for manufacture under sub-contract which was 20 per cent below Mellaforce's Japanese quotation.

The potential market for Autocall extends well beyond restaurants. It is also an ideal cheap signalling device for hospitals, factories, supermarkets, and department stores.

But as well as meeting Mr Hughes' requirements, it has provided a useful early success for the Wintech organisation—established 18 months ago to try to encourage Welsh companies to take on board new technology and to give Wales more of a high tech image.

When chartered accountants Deloitte Haskins and Sells carried out the feasibility study for Wintech, they saw it as an industrial equivalent of the Agricultural Development and Advisory Service, whose patient work since the second world war at grass roots level has contributed significantly to the dramatic growth in agricultural productivity.

As it turned out, Wintech has a budget of only £500,000 and a staff of five and is therefore not able to mount a comprehensive advisory service for Welsh companies.

Instead Dr Thomas, who is returning to Bradford University, from where he was seconded to Wintech, has been trying to improve links between Welsh industry and researchers in Welsh colleges and universities.

Several research "clubs" now exist linking Welsh high tech companies with researchers with the aim of creating centres of excellence in Wales. Other initiatives are helping companies tap into regional, industrial and research aid.

Dr Thomas is already convinced that Wintech's role of "technology broker" to small and medium-size enterprises in Wales ought to be copied in other parts of the UK where the traditional industrial base has declined sharply and which are struggling to rebuild a prosperous economy.

"If a company is street-wise it will identify gaps or new opportunities in the market. But smaller companies don't have the technical resources to exploit them. We can provide that back-up," says Dr Thomas.

He believes that many companies do not appreciate the extent to which overcoming technical weaknesses or problems within their existing products can lead to new business.

Apart from helping Mellaforce with Autocall, Wintech's Product Development Service has also assisted Excalibur Tools, a Merthyr Tydfil-based company which, having launched itself with a prize-winning DIY tool for pointing brickwork, asked Wintech for help to develop its idea for a spirit level that can measure any angle.

Another beneficiary has been Scanwell Vacuum Engineers of Bala which sought help to develop an electronic pressure gauge for vacuum vessels.

Wintech put both companies in touch with scientists at the Polytechnic of Wales who had the particular product design skills each required.


Nicholas Edwards, Welsh Secretary: stalking Japanese subsidies

Wintech is also handling another five projects, three involving substantial development programmes and one which it believes could create a major new industry.

But Dr Thomas is equally convinced that the immediate future prosperity of many smaller Welsh companies may be best secured by buying in the knowledge and manufacturing and sales rights for new products from overseas; in other words by inward technology licensing.

Wintech has already held a series of seminars in various parts of Wales on inward licensing and has identified a dozen companies which require new products to match their existing production and marketing capabilities. It is certain there are many more that could benefit.

It has also assembled a list of consultants, each with knowledge of a particular sector who, for a fee of typically, £6,000, will identify products which match a company's existing manufacturing and marketing capacity and obtain samples for test marketing from the potential licensor.

For smaller companies which cannot afford to employ their own consultants, Wintech is putting together groups of companies to find products in which they can all have a stake.

Wintech's technology licensing efforts are helped by its recently established links with two comparable technology transfer organisations on the continent, IHK in Karlsruhe, West Germany, and ARISTE in Strasbourg, France. Both have long played a technology transfer role via the chambers of commerce in their respective countries.

Under the tie-up, Wintech, IHK and Arista are required to offer to each other 40 product licensing opportunities each year. They can be of varying levels of technology but must have originated in each organisation's region.

Wintech's activities in this direction suggest an even more important lesson. Since the 1930s, the principal industrial development effort in Wales has been directed towards attracting investment either from the prosperous parts of England or from overseas.

Mr Nicholas Edwards, the Welsh Secretary, is currently paying his third visit to Tokyo to try to persuade more Japanese companies to set up subsidiaries in Wales. But although Wales boasts the largest concentration of Japanese manufacturing investment in the UK, after a decade and a half of heavily promoting its virtues, this still adds up—welcome though they all are—to less than a dozen Japanese subsidiaries.

Although Wales is bound to remain in the hunt for internationally-mobile investment, nobody seriously believes it can dent Wales' 20 per cent unemployment level.

Arguably, Wintech's efforts offer a better way forward. Far more new jobs could result from making sure that Welsh companies and their managements have — through technology transfer — modern, marketable products which generate profits to finance future expansion.

Liverpool may face new crisis on budget

By Ian Hamilton Fazey

MR KENNETH BAKER, the Environment Secretary, yesterday agreed to meet a deputation from Liverpool City Council on Friday but laid down two conditions. No money would be available to avert another looming budget crisis in the city and there would be no special treatment under urban aid programmes.

Government sources believe that Liverpool is again heading for a serious budget crisis

The city's capital programme commitments amount to £105m for this year, a sum that can just be met from government allocations, unused funding from last year and remaining capital balances. But that will mean that there will be no money in the capital account to bridge a current-account deficit

Those would have to be met out of the current account budget. That is already £27m over the city's income for the year.

All departments have come up with economies involving cuts in jobs and services totalling £42m.

But those have been referred back as the cuts would conflict with Labour's council election pledges

The £17m Mission which could save Goldcrest's fortunes

BY RAYMOND SNODDY

BEFORE Mr Jake Eberts decided whether to return to Goldcrest Films and Television as chief executive, he asked to see early footage of the Roland Joffe/David Puttnam film The Mission.

When he had seen it, Mr Eberts sent a telegram to David Puttnam, the producer in Colombia where the film was being shot. It read: "Thank you for saving Goldcrest."

"That may turn out to be a prophetic telegram," Mr Eberts said yesterday, as he tried to assess the impact on Goldcrest's future of The Mission winning the Golden Palm for best film at the Cannes Film Festival on Monday night.

Prizes do not translate directly into box office revenue, but Mr Eberts believes that in the main European markets the Golden Palm could be worth an extra $1m to $2m for the picture.

The Mission is the third of three pictures which cost the British independent production company £44m and put its future in jeopardy.

Revolution was a box office disaster particularly in the US. Absolute Beginners is doing better but is likely to break even at best and much now rests on the fate of The Mission, which cost £17m to make.

Mr Puttnam, a director of Goldcrest, sought permission to have the film shown at Cannes even though it was not yet in its finished form. He did it partly to try to save Goldcrest and partly to prevent his film going down with a sinking ship.

The prize, Mr Eberts says, is very encouraging but he is even more gratified by the response of the filmgoers and industry executives at the Cannes screening. When it was over, Mr Eberts says there was a 10-minute standing ovation. He was frequently stopped in the street at Cannes by people wishing Goldcrest well.

More importantly Mr Ebert believes, in an industry governed by gut feel, where confidence is a vital commodity, the award shows that Goldcrest may have had a stumble "but has not lost its touch."

Goldcrest's risk on the film now totals £5.5m. The rest of the cost is already covered by pre-sale of distribution rights. If the film, which is due to open in the autumn, should turn out to be a decent-sized hit, the £5.5m would be recovered and another £4.5m would flow into Goldcrest's depleted coffers. That would clear off the company's £8m bank debt.

Despite the improvement, Goldcrest – in which Pearson, owners of the Financial Times, has a 41.2 per cent stake – is still between six months and 18 months away from being a film production company again.

Mr Eberts says, however, the company has agreement in principle for a $10m fund to offer minimum guarantees on foreign sales of pictures not made but distributed by Goldcrest. The ability to offer such guarantees should allow Goldcrest to take part in potentially more lucrative distribution deals which should help to strengthen the company's finances.

Another British independent film company, Handmade Films, also won an award at Cannes. Actor Bob Hoskins won the best actor award for the Handmade production Mona Lisa.

Mr Hoskins said yesterday after returning from Cannes: "There is a feeling that there is going to be a renaissance of the British film industry. We have always had a lot of talent but have never had the producers to make the films – now we have."

Leyland launches range of light truck diesels

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

LEYLAND TRUCKS, the state-owned BL subsidiary, is to launch a new range of light truck diesel engines, called the Leyland 300 series. This event also marks the end of the company's operations at Bathgate, west of Edinburgh, in Scotland.

The new Leyland engines are based on the Cummins B series units which the two companies have jointly developed over the past four years for automotive use in Europe. Cummins will build them at its factory at Darlington, County Durham.

They replace the 98 series engines which were made at Bathgate. Leyland announced amid a political storm in May 1984, that Bathgate would close in June this year with the loss of all remaining 1,770 jobs. At the peak, in 1977, Bathgate employed 6,700.

Leyland two years ago also cancelled a £30m scheme to bring the Leyland 300 into production at Bathgate under licence from Cummins.

The company said yesterday that talks for sale of part of the Bathgate site were going on with a number of organisations, but its own operations there would end at the beginning of next month.

The Leyland 300 series spans the power range from 115 to 180 brake horse power in naturally aspirated and turbocharged versions. At first only the naturally aspirated versions will be available, with an upper power limit of 130bhp.

They will first be used from the autumn this year in Leyland's Roadrunner trucks, mainly sold in the 7.5 tonnes gross weight sector.

When other versions of the engine are introduced some will be employed in Leyland Freighter trucks up to 16 tonnes gross weight.

The Cummins B series engine range, from which the Leyland 300 series is derived, was itself the product of a joint development programme between Cummins and the J. I. Case group in the US. Cummins, which made its reputation with large diesels, wanted to move into the production of smaller engines (the B series covers the power range from 50 to 180bhp) and Case needed a new diesel for its agricultural tractors.

The B series range has been in production in the US for some years and Cummins has now almost completed a £14m renovation scheme at Darlington to put the B series into production there, switching output of the old V-6 units once made on the site to Mexico.

Leyland will be an important customer for Darlington, taking about 3,000 engines a year, and ERF recently announced it would use the B series in its heavily revised range of 16-tonne trucks.

Mr Peter Capon, Leyland's product development director, said: "We and Cummins have co-operated to develop their basic American-built engine into one that combines the best available technology and experience from either side of the Atlantic."

Peter Marsh on the consultancy company the big guns call in when problems prove too tricky for in-house research

Technology taskforce behind many a household name

MAKE A call from a British Telecom payphone, pick up an IBM personal computer or munch your way through a packet of Walkers crisps—and you may well come into contact with the ideas of an unusual yet little known UK company specialising in the commercial applications of science and technology.

PA Technology, an 800-strong technical consultancy based in Melbourn, near Royston, is far from being a household name. The details of its work are normally kept quiet, on the insistence of the clients which foot the bills and are loath to give away trade secrets.

The company was set up in 1969 under the wing of PA, the management consultants. It expects this year to earn £50m, three-quarters of it for work outside the UK, through sales of technical expertise.

In addition to the Melbourn laboratory, a futuristic-looking building designed in the early 1970s by Mr Richard Rogers, the architect of the new Lloyd's headquarters in London, the company operates from three other research centres in Brussels, Princeton in the US and Melbourne, Australia.

At any one time, PA Technology is likely to be working for about 300 clients, according to Mr Gordon Edge, the company's chief executive and founder. The customers include some of the world's best known companies in a range of industries, from food to electronics and from chemicals to car engines.

The clients pay PA Technology either to supplement their own research expertise in tackling a particularly tricky problem—say in a manufacturing system that has seized up for no apparent reason—or to design a new product or process from scratch.

PA Technology spends about £5m a year investing in production and scientific equipment both to keep ahead in a broad variety of research disciplines, particularly in new materials, manufacturing automation and biotechnology, and to turn out prototypes on behalf of clients.

Other groups of technical consultants which can call upon a similarly broad range of scientific disciplines are mainly US-owned. They include Arthur D. Little, SRI International and Battelle Institute.

According to Dr Nico Hazewindus, in charge of corporate product development at Philips, the Dutch electrical and electronics group, technical consultants are playing an increasingly important role in helping big companies in scientific matters. "As the spread of technology widens, even the biggest companies realise they cannot do everything themselves."

Mr Gordon Edge, chief executive of PA Technology, which has played an important role in the development of products for many large companies such as British Telecom, Philips, Cadbury and IBM

In work for Leicester-based Walkers Crisps, PA Technology devised an ingenious grading system to sort out the sizes of potatoes as they move along a conveyor prior to slicing.

IBM asked PA Technology to help automate a production line in Greenock, Scotland, to turn out keyboards for the US company's personal computer. In a nine-month project, PA Technology came up with a design in which three robots position button-sized spring assemblies in the base of the keyboard.

In other work, the Melbourn concern has helped Cadbury, the UK confectionary company, with the design of chocolate production lines. The company was responsible for some of the development of payphones produced by Plessey for British Telecom.

Further assignments have included work on medical endoscopes (devices for viewing inside the human body) for Reichert of the US, the design of semiconductor components for Siemens and work in optical materials for Kuraray of Japan.

In its projects, PA commonly brings in a range of researchers from different scientific areas. Combined expertise in production engineering and fibres was useful in sorting out a tangle on a production line to make bristles, run by a Norwegian toothbrush manufacturer.

Another example of interdisciplinary thinking came in advice to a concrete maker which wished to branch out into biotechnology. The company was told that its concrete pipes could, with a little adaptation, make suitable vessels for fermentation reactors.

Not all of PA Technology's projects come to fruition. An engine company was once told to coat the insides of its exhaust cylinders with enzymes (naturally-occurring proteins which catalyse chemical reactions) as a way of monitoring fine gases. The suggestion was too radical to be taken up.

Although PA Technology does not discuss its fees, they are said to be high. They are normally worked out on the basis of a fee for a specific project, which can sometimes take years. Daily fees for one consultant can work out at £400-£800.

"You only go to them if you have run into a difficulty you can't solve in any other way," said a manufacturing director of a UK-based multinational food company, who asked not to be named. "They are very professional, very competent and superb at organising themselves behind a specific problem."

SKILLS TAKE PREFERENCE OVER PRODUCTS IN DRIVE FOR EXPANSION

"I'M NOT that interested in forming a company with large annual sales based on products—I am interested in building up a big organisation based on skills." So says Mr Gordon Edge, chief executive and founder of PA Technology.

In the late 1960s, Mr Edge hit on the idea of asking a big management services organisation to hire him to set up a technical consultancy. The reasoning was that the management company would already have a long list of large corporate clients which might like to call in technical experts to sort out scientific problems.

With a colleague, Dr Roy Hawkins, Mr Edge first approached Arthur D. Little, the Boston-based consultants. Both men at the time were working for Cambridge Consultants, a small contract-research group mainly comprising Cambridge University graduates.

According to Dr Hawkins (who left PA Technology in 1973 and has since formed his own consultancy) the US company was interested in the proposition. But the deal did not go through because Mr Edge, characteristically, preferred a British backer. This emerged soon after in the shape of PA, another company of management consultants.

Ironically, Arthur D Little eventually bought an 80 per cent stake in Cambridge Consultants when the Cambridge concern hit financial difficulties in 1971.

Mr Edge has no shortage of admirers. Mr Don Hammond, one of the founders of Hewlett-Packard's Palo Alto research laboratories who is in charge of the US concern's technical centre in Bristol, says: "I have met few men who I have been more impressed with. He is simple and direct and I like his tenacity."

An ex-employee of PA Technology says of Mr Edge: "The success of the operation can be laid at his door. He very clearly lays down the ground rules. Gordon is a workaholic in every sense of the word. He is not at home for more than a few hours back to back but is off around the world making contacts and generating business."

According to Mr Edge, teamwork is at the heart of technological innovation. PA Technology is run rather like an extremely commercially-minded university, with different departments interacting closely with each other.

The 800 staff, mainly scientists and engineers, are split into groups excelling in what Mr Edge calls the company's "core technologies" such as materials, optics, telecommunications, signal processing, automation, life sciences and speech recognition.

Staff are expected to be highly adaptable. Each person is given two jobs. The first is to excel as a scientist or engineer (in what Mr Edge calls PA Technology's "rank" structure) and the second is to serve the needs of clients.

This second hierarchy—in which people are defined by role, for example as a group leader or director of a particular laboratory—is superimposed on the first to create what Mr Edge says is an extremely flexible way of working.

The flexibility extends to staff working in large open-plan rooms and forming themselves into teams when the need arises. Mr Edge must be one of the world's few chief executives not to have an office to himself but instead sits at a desk in these open spaces.

Mr Edge says it is essential for PA Technology both to be big and to operate worldwide. "Scale is important. A lot is said about small being beautiful but this does not apply in advanced technology. You need large resources to bring solutions to major business problems. You need to share basic research among a large group of users and also to bring an interdisciplinary approach to technical work."

Only a quarter of the company's work is done for British customers and the proportion is decreasing—at the current rate PA Technology's Princeton laboratory in the US will be bigger than the Melbourn headquarters by around 1990. This is something Mr Edge appears to regret.

Many people in Britain, he says, still fail to realise that technical advances stem not from one blinding flash of inspiration by a single person but solid work by a team.

"There is a hang-up in Britain about individuals. This is a relic from Victorian times, a preoccupation with railway engineers. If you base everything in technology on the work of individuals, you will have trouble growing big and important companies."

Although PA Technology's £50m annual sales, which Mr Edge projects for this year, may seem small, he says that this amount of technical work makes possible roughly £500m worth of products sold by the company's customers.

"The work we do is stimulating and demanding because we work for so many different companies. You do have the satisfaction of seeing the products at the end—the only thing is they are not yours."

Directional aerials lift capacity of Cellnet

CELL SECTORISATION will be introduced over Britain's spring bank holiday period by Cellnet, one of the UK's two cellular mobile radio companies.

Sectorisation is a means of increasing the number of subscribers that can be accommodated and will ease the congestion becoming evident in central London at certain times after only 18 months of operation.

The "classical" method of doing this is to reduce the size of the cells and the power of the cell transmitter, allowing the channel frequencies of one cell to be used in another cell not far away without fear of mutual interference, increasing the total number of cells available.

But the cells are already small in central London and Cellnet, which predicts it will have insufficient capacity beyond the end of this year, has chosen sectorisation instead. Here, a cell transmitter aerial does not send all its channels in all directions as is normally the case.

Instead, six 60 degree directional "sectors" are used, each with its own set of channels, any one of which might be allocated to a vehicle moving through the segment. This allows channels to be re-utilised in opposing directions, giving greater effective capacity. Consequently, Cellnet will be able to cope with 60,000 mobiles with 300 channels within the M25 area.

DISCOLOURED WATER problems will be dealt with more easily by the water industry using Alfi, an instrument developed by the Water Research Centre and now available from Arkon Instruments of Cheltenham, UK (0242 578444).

Alfi stands for "automatic liquid filtration instrument" and is installed on the consumer's premises to take samples at pre-programmed intervals, leaving coloured deposits on filter papers and collecting water samples if necessary for off-site analysis. The interval sampling and, if necessary, sample triggering from a turbidity meter when the problem is occurring, will assist in identifying sources.

VIEWDATA TERMINALS from Sony worth [illegible] have been installed in Woolwich Equitable Building Society branches throughout the UK.

At each branch, the terminals are linked via the telephone network to the computer database of the UK's major life assurance companies, allowing the Woolwich to provide instant insurance quotation for its customers and the general public.

Eventually, it is hoped to issue proposal documents direct from the assurance company to the Woolwich branch, on a printer.

WORTH WATCHING

Edited by Geoff Charlish

LASER PRINTERS are seen as eclipsing all other types by 1990 in a new report from Frost & Sullivan, the market research company.

Non-impact printers for microcomputers will turn into a $8.5bn market in the US by then, largely because these types offer near-letter quality at speeds 20 to 30 times that of daisywheels, at 60 per cent of the daisywheel noise level and for a price that is now competitive with more expensive daisywheels.

From a base of only $543m in 1985, nearly $2.4bn of laser, thermal and inkjet machines will be sold in the US in 1990, says the report.

YELLOW PAGES will go electronic in the UK early next year, reveals British Telecom. Information on advertisers will be held on a central database, accessible at no cost apart from the phone call by anyone with a suitable communicating terminal.

Electronic Yellow Pages (EYP) will initially cover the London, Reading and Guildford areas and any company currently paying for advertising at semi-display level or above in the ordinary Yellow Pages will get free listing electronically.

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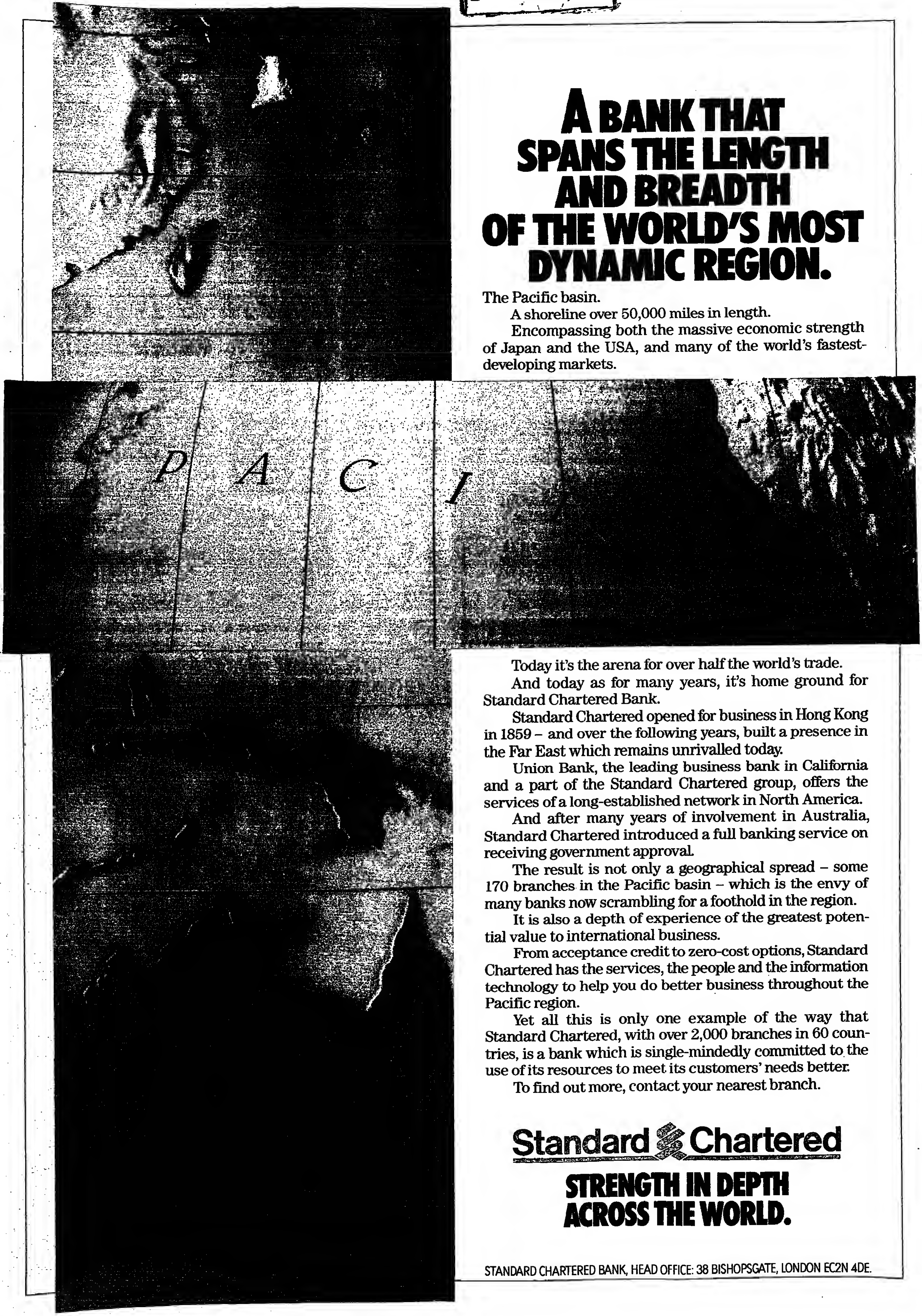

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COMPUTER INDUSTRY

DEC: the critics grow quieter

By Jason Crisp

ALTHOUGH Digital Equipment has doubled its size in less than four years to become the world's second largest computer company, it has still been criticised for its lacklustre financial performance, tired product range, invisible marketing, overstaffing and poor margins.

Lately the critics have grown quieter. DEC is back in favour with Wall Street because it has reorganised, cut costs, launched a host of new products and reported a sharp improvement in profits in the middle of e general slump in the computer market. As a result, analysts have started to praise DEC—even if its margins are weaker than many would like.

Mr Ken Olsen, the tough, blunt engineer who founded and still rules this $6bn-a-year company, appears disdainful of much of that past criticism. He feels the critics concentrated on short-term problems while ignoring the company's long-term strengths. "We are not going to waver from our concentration on the importance of the long-term," he says.

As an example he cites DEC's commitment since the 1970s to the development of linking computers together in vast networks. This is an area where DEC now leads its rivals and which is helping it break into new market areas.

While DEC is still best known as a minicomputer company, its sales range stretches from personal computers to the equivalent of mainframes. In the marketplace it meets International Business Machines at every turn. "But we don't always meet our traditional rivals Hewlett Packard, Prime or Data General," says a senior DEC executive.

DEC also stands apart from the Bunch companies — the five struggling US mainframe computer companies which are dwarfed by IBM. Indeed, some analysts believe DEC is now IBM's most credible rival in computers. Even so DEC's annual revenues of $6bn just about match IBM's profits.

Unlike its mainframe rivals, DEC has the advantage of a very strong base in minicomputers from which it has spread to compete in other areas. Its VAX range of superminis have on one hand been put into clusters to compete with mainframes and on the other reduced to a single microchip which goes into a workstation.

The strength of the powerful VAX range in the minicomputer market has also meant a large amount of software has been written for the DEC system. And because it is a single family of computers with the same architecture and operating system, the software written for the minicomputers can be run by its largest and smallest computers — a boast which even IBM can not match.

A second key strength, as DEC never tires of telling the world, is its lead in linking computers into networks. Mr William Strecker, vice-president of engineering product strategy and architecture, recently said: "Digital believes that computers will not reach their ultimate usefulness until all terminals, all personal computers, all minicomputers, and all mainframe computers within an organisation freely communicate with each other, freely share data with each other, and easily share the workload."

Mr Olsen, the architect of DEC's strategy, comments: "In the 1970s the mission evolved to develop networks when we realised that soon anyone could make small fast computers with chips. Our real ability is to solve complex problems. The task took years, enormous numbers of dollars and thousands of man hours. This is what sets us apart from the mini and mainframe companies because our strategy from the start was to go into networks."

It is a strategy which appears to be paying off as DEC now leads the industry in supplying networks. Its ability to link up its own computers and those of others—particularly IBM—has opened up markets where it has sold little before. This means that the many companies that are wedded to IBM can at least consider buying some computers from DEC too.

The last three years have, however, been uncomfortable for DEC. It has seen small new companies make substantial inroads into the Computer Aided Design market where it was once dominant and its own entry into the personal computer market has been very disappointing. In addition, a major re-organisation resulted in a dozen top executives leaving.

"DEC had an almost arrogant belief in its own engineering skills and strategy. It has only recently really discovered how important things like organisation and marketing are and it is paying more attention to them," one analyst notes.

Nearly three years ago DEC underwent a big managemant upheaval which in part marked the end of the entrepeneurial era dating from its foundation in 1957. About 15 independent product divisions, which often overlapped and competed aggressively, were abolished and several senior executives left. "It was a hard thing for all those leading the groups. They liked their independence so they left to do it on their own," Mr Olsen says.

The company has also taken action to improve its financial position. Much tighter controls have reduced DEC's high levels of stocks and the number of people employed in manufacturing has been reduced by about 5,000 — without redundancies. Manufacturing employment is expected to continue falling with the rapid introduction of automation.

Even after the reduction, DEC's turnover per employee is substantially below that of IBM. In part this reflects Mr Olsen's belief that a growing company like DEC needs more people to prepare for the future. "We take on more people so we can grow them and give them more responsibility. We generate more leaders than we need . . . that is our goal and it is expensive," he says.

DEC is benefiting from a substantial improvement in its product range: from new equipment to faster computers. Earlier this year it held a big show in Boston for its customers at which it claimed that about 98 per cent of the products had not been available 12 months earlier.

The new more powerful products will enable existing DEC customers to upgrade their systems. It also enables DEC to regain its lost crown for high performance minicomputers which had been stolen by its smaller rivals.

No one is suggesting that DEC has done all it should to improve efficiency and profitability or that it does not face considerable problems competing with IBM. However, its revamped product range based around a single operating system and its strong position in networking has convinced many observers that DEC is one of the healthiest computer companies in the US.

Mr Olsen's long term view would appear to have been right. When the company was having problems a number of critics suggested that Mr Kenneth Olsen, who is 60, should retire. Still clearly the dominant force in the company, Mr Olsen refuses to comment on whether he is even considering it. But he does say: "The measure of my skill is how well the company is doing two years after I have gone."

This is the last in a series. Previous articles appeared on May 14, May 7, May 2, April 29, April 23 and April 22.

IN THE SHADOW OF IBM

THE KEY FIGURES

$m

	1986 (9 month to March)	1985 (9 months to March)	1985	1984	1983	1982	1981
Revenues	5,414	4,834	6,686	5,584	4,272	3,881	3,198
Net income	378.7	346.2	446.7	328.8	283.6	417.2	343.3

Year end June 30

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1985 dividend

At the Annual General Meeting of Shareholders held on May 20, the dividend per share for the year 1985 was fixed et:

The countervalue in guilders on November 18, 1985 of US $ 1 (= f 2,95) in cash, es well as one ordinary share for 20 ordinary shares of f 25,00 par value

The cash dividend became payeble in the form of an interim dividend on November 29, 1985 egainst delivery of coupon no. 12.
The stock dividend will become charged to the share premium accounl and is not subject to Dutch withholding or income tax. This final dividend, which is entitled to participate in the full result for 1986 and following years, becomes payable on May 30, 1986 against delivery of coupon no. 13 et the following paying offices:

- Amsterdam-Rotterdam Benk N.V.
  597 Herengracht, 1017 CE Amsterdam
- J. Henry Schroder Wagg & Co Ltd.
  120 Cheapside, Londen EC2V 6DS
- Crédit Lyonneis
  19, Boulevard des Italiens, 75002 Paris
- Banque Privée de Gestion Financière
  61, rue de Monceau, 75008 Paris

Should the coupon be submitted through another bank or broker, the reverse side must displey a company stamp. Holders of CF-shares will be peid through the intervention of the institution holding the dividend papers at close of business on May 20, 1986.

If, after September 5, 1986 there are still unsurrendered dividend coupons no. 13, the shares issuable egainst these coupons will be sold and the proceeds be kept evailable, on e *pro rata* basis, to the holders of the unsurrendered coupons.

Amsterdam, Mey 21, 1986
The Management

WESSANEN

A General Meeting of Shareholders will be held at the Marriott Hotel, Stadhouderskade 21, Amsterdam on Thursday, 5th June 1986, commencing at 10.00 a.m.

The Agenda, the sole item on which is a statement concerning a proposed appointment to the Board of Managing Directors, is available for inspection from today at the Company's offices, Laan van Kronenburg 14, Amstelveen. Holders of shares, depositary receipts for shares and bonds may obtain copies free of charge from the Amsterdam-Rotterdam Bank N.V., Herengracht 597, Amsterdam.

The meeting will be open to holders of shares and depositary receipts, and to representatives of the Press upon the production of their Press pass.

As provided for in Article VIII.4, clauses 2 and 3, of the Articles of Association, shareholders and other persons who are entitled to vote may attend the meeting and speak or cast their vote, or may be represented for these purposes by a proxy duly authorised in writing, provided that written notification of their intention so to do is received by the Board of Managing Directors by 2nd June 1986 at the latest.

As provided for in Article VIII.4, clauses 6 and 7, of the Articles of Association, holders of depositary receipts for shares may attend and speak at the meeting, or may be represented by a proxy duly authorised in writing, provided that they lodge their depositary receipts, or a certificate issued in lieu thereof, with the above-named bank by 2nd June 1986 at the latest.

The Board of Managing Directors — 21st May 1986

Koninklijke Wessanen N.V.,
P.O. Box 410, 1180 AK Amstelveen, The Netherlands.

BASE LENDING RATES

	%		%
ABN Bank	10½	Financial & Gen. Sec	10½
Allied Dunbar & Co	10½	First Nat. Fin. Corp.	11½
Allied Irish Bank	10½	First Nat. Sec. Ltd	11½
American Express Bk	10½	● Robert Fleming & Co	10½
Amro Bank	10½	Robert Fraser & Ptrs	11½
Henry Ansbacher	10½	Grindlays Bank	‡10½
Associates Cap Corp	11	● Guinness Mahon	10½
Banco de Bilbao	10½	● Hambros Bank	10½
Bank Hapoalim	10½	Heritable & Gen. Trust	10½
Bank Leumi (UK)	10½	● Hill Samuel	§10½
Bank Credit & Comm	10½	C. Hoare & Co	10½
Bank of Cyprus	10½	Hongkong & Shanghai	10½
Bank of Ireland	10½	Johnson Matthey	10½
Bank of India	10½	Knowsley & Co. Ltd	11
Bank of Scotland	10½	Lloyds Bank	10½
Banque Belge Ltd	10½	Edward Manson & Co	11½
Barclays Bank	10½	Meghraj & Sons Ltd	10½
Beneficial Trust Ltd	11½	Midland Bank	10½
Brit. Bk. of Mid. East	10½	● Morgan Grenfell	10½
● Brown Shipley	10½	Mount Credit Corp. Ltd	10½
CL Bank Nederland	10½	National Bk. of Kuwait	10½
Canada Permanent	10½	National Girobank	10½
Cayzer Ltd	10½	National Westminster	10½
Cedar Holdings	12	Northern Bank Ltd	10½
● Charterhouse Japhet	10½	Norwich Gen. Trust	10½
Citibank NA	10½	PK Finans. Intl (UK)	11½
Citibank Savings	¶10.75	Provincial Trust Ltd	11½
City Merchants Bank	10½	R. Raphael & Sons	10½
Clydesdale Bank	10½	Roxburghe Guarantee	11
C. E. Coates & Co. Ltd	12	Royal Bank of Scotland	10½
Comm. Bk. N. East	10½	Royal Trust Co. Canada	10½
Consolidated Credits	10½	Standard Chartered	10½
Continental Trust Ltd	10½	Trustee Savings Bank	10½
Co-operative Bank	*10½	United Bank of Kuwait	10½
The Cyprus Popular Bk	10½	United Mizrahi Bank	10½
Duncan Lawrie	10½	Westpac Banking Corp	10½
E. T. Trust	11½	Whiteaway Laidlaw	11
Exeter Trust Ltd	11	Yorkshire Bank	10½

● Members of the Accepting Houses Committee. * 7-day deposits 6.38%. 1-month 6.69%. Top Tier—£25,000+ at 3 months' notice 9.72%. At call when £10,000+ remains deposited. ‡ Call deposits £1,000 and over 6¾% gross. ¶ Mortgage base rate. § Demand deposit 6.35%. Mortgage 11%

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CHINA

A mystery man takes on the reformers

Colina MacDougall profiles Chen Yun, the octogenarian challenging Deng's new ways

WHEN I first went to China in 1965, just weeks before the cultural revolution began, in every factory and commune we visited hung a row of seven portraits, of which six— Mao, Liu Shaoqui, Zhou Enlai and others—were instantly recognisable. "Who was the seventh?" I asked our minder, a left-wing Chinese journalist from Hong Kong.

A flicker of hesitation mixed with pride crossed his face. "That is Chen Yun," he said. "Those are the seven politbureau standing committee members, the chairman, and vice-chairmen of the party." Even then, despite his high rank, Chen Yun was barely known in tha outside world. He *remains China's biggest mystery* man.

Some people think it waa Chen Yun's influence that led the National People's Congress, China's parliament, last month to snub Premier Zhao Ziyang by unexpectedly revising his report on the economy. In time, this may come to be seen as the point at which the power of China's reformers began to wane.

The lengthy changes to the premier's report took up points that Chen first made in a startling speech last year on the need to focus more on grain cultivation. Most of the revisions were aimed at tempering Zhao's reformiat line in favour of a more conventional Chinese communist approach.

Chen Yun's career is as long and almost as distinguished as that of 81-year-old supreme leader Deng Xiaoping. Born in Jiangsu province in 1905, he moved to Shanghai at the age of 16 where he learned typesetting et the Commercial Press.

He joined the Communist Party in 1925, working with Liu Shaoqui, the former head of state who was killed in the cultural revolution.

In 1934, long before Deng, he was elected to the central committee. The following year he took part in the long march and then left China for two years in Moscow. He returned to join the Red Army at its new guerrilla base at Yenan in north-west China, where his work on the organisation and party discipline included vetting the young Jiang Qing, the starlet who wooed and won the already much-married Mao.

He joined the politbureau in 1940 and spent most of the next 15 years in distinguished and successful economic administration, first in the communist-controlled areas before final victory in 1949 and then masterminding the Soviet aid and trade programme in the 1950s.

Then begins the puzzle. Chen opposed Mao's disastrous Great Leap Forward, and though Mao was never able to get rid of him as he disposed of other antagonists, Chen scarcely appeared in public. Quiescent but not apparently persecuted in the cultural revolution, he reappeared in 1978 when Deng regained power. Chen resumed his old party role of vice-chairman in charge of party discipline.

China's economy was then seriously overheating because of former chairman Hua Guofeng's over-ambitious economic plans. Chen publicly attacked the plans, preaching restraint. At the time it was presumed that he and Deng saw eye to eye on economic reform, but Chen soon melted into the background.

Since then Chen has reappeared mainly when the reform policies seem to be in trouble. Does this mean, China-watchers ask themselves, that be opposes Deng and is now the rallying point for a more conventional Marxist-Leninist line which only emerges when Deng is vulnerable?

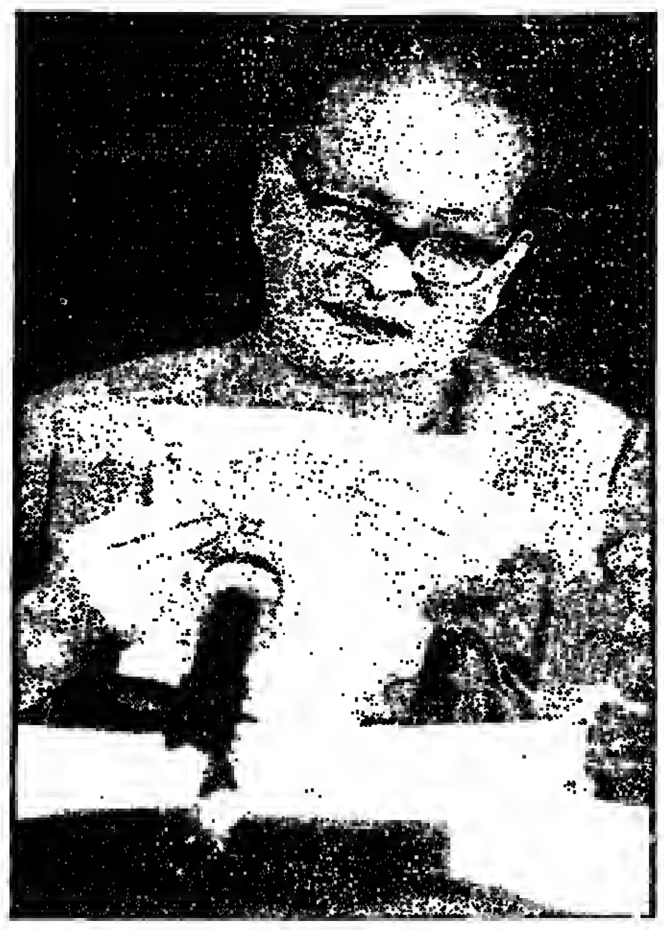
It is difficult to take seriously the idea of a power struggle between octogenarians. But since Deng's modernisation policies last year brought China unparalleled inflation, corruption, outflow of foreign exchange and party demoralisation, it would not be surprising if some officials now wonder about alternatives.

Chen Yun, *with his successful* development policies of the 1940s and 1950s, seems to represent such an alternative. The line that he might take (since opposition policies are seldom articulated, one has to infer them) would probably be closer to that of the Soviet Union, where with central planning and tight party control industrialisation has been forced through.

Such a view might appeal to many middle level party officials who feel Deng's reforms cut into their power. It might also tempt senior old-fashioned party men who are shocked by the rapid decline in values reflected in the flood of illicit trading, materialism and greed which has emerged in recent years. And since China's 1985 problems continue to rock the economy, even a few would-be reformers must wonder whether they could have been avoided by a more conventional approach.

Putting names to Chen Yun's backers *is risky* since almost everyone overtly supports the official line. However, on the all-powerful five-man politbureau standing committee Chen can probably count on 76-year-old Li Xiannian, himself a 1950s-style economist and, compared to Deng, a hardliner.

For all that, a popular vote in China would probably give Deng and the reforms overwhelming backing. They have meant more to eat, more money, more fun and more freedom for countless millions of people. But his men are going to need all their skill to keep the show on the road in the *teeth of difficulties, many* of which they themselves have created.

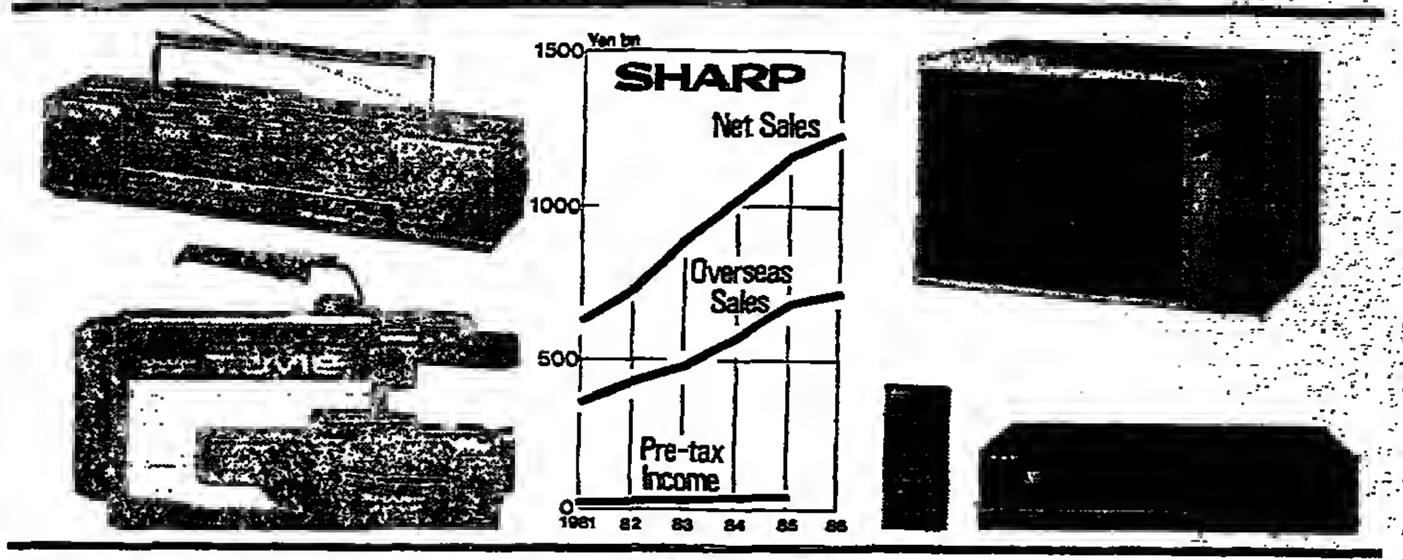


CRITICAL: Chen Yun at the Chinese Communist Party conference last year.

Trading environments

Why Sharp is redrawing its horizons

Carla Rapoport explains the Japanese electronics group's shift to home markets following the rise in the value of the yen



JUDGING by Japanese newspaper accounts, Japan's major corporations are in a panic about the accelerated rise of the yen. Words like "catastrophic," "uncontrollable," and "disastrous," fill the financial pages almost daily. Some commentators are already predicting that Prime Minister Yasuhiro Nakasone will have to abandon plans to seek another term solely because of the run-away yen.

But away from the public uproar, in the quiet, spacious executive offices of Japan's largest exporters, one hears a different story. Japan's major exporters expect to survive this crisis like they have survived all the ones before. Their lives may change over the next few years, but not necessarily for the worse.

Within this club is Sharp Corporation, the $7bn-a-year Osaka-based company, with a worldwide reputation as a top-quality producer of consumer electronics. Sharp was founded in 1912 by Tokuji Hayakawa, the man who invented the snap belt buckle and the mechanical pencil. An early pioneer of radio and television in Japan, Sharp also helped to pioneer the vast Japanese market for audio and electronics in the 1950s and 1960s. It then moved out into world markets in the 1970s and 1980s through aggressive exporting as well as through a variety of licensing and manufacturing deals.

Sharp today is run by the men who spent their lives developing and selling Sharp products. One of those men is Yoshihide Fukao, aged 67, now senior executive vice president. A tall, thin man with white hair, Fukao speaks in a friendly, matter-of-fact manner about the effects of the yen on his company. Straight away, he points out that more than 60 per cent of Sharp's sales are achieved through exports. Next, he notes the yen's appreciation of more than 30 per cent in the last year. Yet he then says that Sharp is not facing a crisis or anything near it.

"The time to grow by overseas sales is past," says Fukao flatly. Over the last 10 years, he says, Sharp's annual sales growth has been close to 20 per cent, thanks to 17 per cent growth per year in exports. In 1985, when the yen started its climb, exports slowed to 3 per cent growth. This year, he says, exports "are expected to go to sleep."

"The Prime Minister says we should change the whole system of Japanese business. Needless to say, that is the only way to deal with the stronger yen. We must stimulate domestic demand. It is very clear that the base for growth in the future is domestic sales," says Fukao.

Sharp's back-to-Japan strategy is pinned to two goals. First, realign its export / domestic sales split from 60/40 to 40/60. Second, safeguard the jobs of every one of its 25,000 domestic and 25,000 overseas employees while making that shift.

Sharp will probably achieve these goals, remaining a strong international competitor while increasing its strength at home. But there will be a cost. Sharp spends about 60 per cent of total sales on components and raw materials, most of that from Japanese suppliers. Hundreds of these suppliers are shortly going to find themselves out in the cold, as Sharp begins to slim down its exports by shifting more and more production offshore. And because of the high yen more and more of these offshore production sites will be buying their components locally or importing them from places like Korea or Singapore, rather than Japan.

Fukao acknowledges the problem readily, but emphasises his priority is first to his own workers. "It depends on how fast Japan can develop jobs in the services sector, but I think we are going to have an unemployment problem here in the future. All the world's nations have this problem. We're the only one that doesn't. It's unnatural for an advance economy," he says.

This straightforward appraisal of the facts is one of the many qualities which will help companies like Sharp through their high-yen adjustment period. Osaka has a long history of producing hard-nosed businessmen who can keep emotions out of their decision-making. Sharp will therefore be expanding its production in places like India and Spain this year, and local component-makers will have to fend for themselves.

"Needless to say, we have no legal obligation to protect those from which we have made many purchases in the past. We do feel ethically responsible for those contractors who have been working solely for us for many years, and we will try to find them other work," he says. But 65 per cent of Sharp's suppliers, he says, are independents who serve many masters. Nomura Securities recently estimated that job losses created in this sector could total as much as 500,000 over the next few years.

Meanwhile, however, Sharp will have its work cut out for itself. Company executives already admit that the group is losing money on exports of audio equipment, such as radio cassette players. Its pricing strategy so far has been to increase export prices by about 7 to 11 per cent across the board and absorb the rest of the currency appreciation through reduced profits. By next year, it hopes to reverse the profit trend by cutting its cost, shifting more production abroad and releasing new products which are less insensitive to price.

Sharp is not one to give away a lot of numbers, but it says that so far this year it plans to shift at least Y30bn ($178m) worth of its exports to offshore locations, mostly India and Spain. It also plans to increase output at plants in the US, UK, Brazil and Australia. "Our overseas affiliates should not depend on us as much. They must find their own way for stable growth," says Fukao. After making comparisons on production costs, he says, the US Sharp affiliate may begin to supply the Canadian market, for example. Further, he says, Sharp's UK plant may step up its sales to other EEC countries, while Australia may take over supplying that continent. Altogether, Sharp is understood to be aiming at putting between 25 to 30 per cent of its production offshore over the next few years, compared with less than 20 per cent currently. Its imports of components from countries such as Korea and Taiwan are also expected to go up sharply.

At home, Sharp will be aiming for 10 per cent growth per year in order to maintain employment for those workers displaced by lower exports as well as keeping its overall growth moving upward. The key will be to find new products to tempt its finicky domestic customers and to find them before its competitors do. At Sharp's engineering centre in Tenri, 40 kms from Osaka, executives are thinking of little else.

To the surprise of foreign visitors, Tenri engineers are tackling the Japanese market in much the same way they successfully tackled the US and European markets a decade or two ago. They are doing their social and cultural homework. The Japanese today are richer than ever before and their appetites may be increasing.

Take dishwashers, for example. Japanese manufacturers sell thousands of dishwashers in the US and Europe, but almost none in Japan. Traditional wisdom has it that Japanese homes are too small to hold dishwashers. In fact, Sharp now admits that it never really designed a dishwasher for the Japanese market—one that could contain the myriad of bowls which the Japanese use for their meals, and could scrape the sticky rice off them effectively. "We [Japanese] designed large machines, to hold plates, cups and saucers," says Kozo Hayashi, senior executive director of the engineering centre in Tenri. "We need to make it smaller, and design it to take bowls, platters and chopsticks."

Beyond that example, Hayashi is reticent about Sharp's next generation of electronic gadgetry. He says, however, that new products will be multi-functional, and will begin to bridge the gap between office and home appliances. In the future, for example, Japanese will be buying telephones which combine a facsimile machine, videotext monitor and even keyboards. The microwave oven may come with its own software programming for various meals. The bathroom may have "intelligent" baths and lavatories, which can clean themselves, for example.

"We are going to see much more advanced technology in the home. It will be hard to tell the difference between home and office equipment," says Hayashi.

Sharp's competitive edge will depend heavily on its R & D facilities. The company runs two parallel R & D tracks. One consists of the product development laboratories located at each major production centre. The second is the Tenri engineering centre which handles fundamental research across product lines. In between the two is Sharp's Urgent Projects team. This is the group which combines scientists from both tracks and sets out to make something new or better, in a short time. A recent example of an Urgent Project was the front-loading videocassette recorder.

Urgent Projects has recently been upgraded. Under the new system, the head of each project is appointed by Sharp's president; he then reports to the president only. The team leader may choose his co-workers from any laboratory in the group and pays them out of a special budget. All the members wear little gold badges on their lapel, marking them out from anyone else in the group.

"In the past we put equal weight on every programme," says Hayashi. This accounts for Sharp's wide product mix. VCRs, for example, are its best-selling product but account for just 16 per cent of Japan-based production.

"Now we have to focus on more specific, quick results," he says. "We must carefully study product design for Japanese consumers and then move quickly," he says.

Sharp can afford to make these changes. The group's borrowings are outstripped by its crash and securities, according to last year's balance sheet. But assets are conservatively valued on Japanese accounts and Sharp's true resources are probably stronger than its balance sheet shows. In fact, Fukao says capital reserves totalled Y350bn. Despite the slow-down in growth this year, for example, Sharp will increase capital investment to Y70bn and continue to spend 8.2 per cent of sales on R & D.

As for the future of the yen: "We don't expect the yen-dollar exchange rate to recover (from the current Y165 level)," says Fukao simply.

BUSINESS PROBLEMS

BY OUR LEGAL STAFF

Sale of goodwill and CGT

In 1969 I started a retail business in freehold premises which I had bought at the same time, trading as a sole trader. The goodwill value of the business is now about £35,000.

I have contemplated selling the business but not the premises, buying another vacant property in a different location and starting another type of retail business.

Could you please spell out the Capital Gains Tax implications/options as they appear horrific to me. Am I effectively locked in where I am until age 60?

Surely the amount of money at stake justifies the cost of an accountant (as well as a solicitor) to guide you through the tax pitfalls. The chargeable gain on the sale of the goodwill can be rolled over into the cost of the new premises, in principle. The free leaflet CGT11 (Capital gains tax and the small businessman) may be of some help, but bear in mind the date of publication on the copy you receive.

No reply one year on

I am the controlling shareholder in my business, and I wish to retire and pass my interest in the company to my three sons and control to one of the sons who is already a director of the company.

Last March my accountant wrote with supporting documents to the Adjudication Office of the Inland Revenue seeking approval of the value at which I have already transferred a small number of shares and at which I wish to transfer a further substantial number. Alternatively, we asked for a statement of its own valuation. In October, the Department replied seeking accounts for the previous three years, which information was immediately furnished. Last month, in response to urgent telephone calls, an officer undertook "to turn up the file" but there has been no further communication.

I know little of the function of the General or Special Commissioners or how to find them, nor do I know whether, in fact, these bodies would be able to help us, but I feel there must be some higher authority to whom we can turn for help when, after waiting 12 months, we cannot get a reply to a letter.

Can you suggest any action that we can take to arrive at an acceptable valuation, other than to sit it out until ultimately we are forced to sell the company to an outsider and relieve the Inland Revenue of the necessity to reply to our communications?

First we must say—as your accountant has doubtless warned you—that the value of a small parcel of shares in your company is not a reliable guide to the value of a large parcel, nor of a parcel which gives or removes control.

The Adjudication Office's conduct appears to constitute a prima facie case of maladministration, but you should seek your accountant's guidance upon the question of asking your MP to refer your complaint to the Parliamentary Commissioner for Administration (the Ombudsman). Some readers' accountants have expressed fears that calling in the Ombudsman may provoke retaliation by the criticised taxmen in later years—we have no evidence either way, at present.

Chargeable gains

I am one of four shareholders in a private investment company.

The only fixed asset of the company is a freehold property let to a two-partner firm on a lease which expires in four years' time, with an option to purchase the property at market value.

The two partners wish to acquire the property immediately. The stumbling block is the capital gains tax position if the company sells the property and is then put into liquidation.

To overcome this, would the following programme be feasible? The company balance sheet is reversed to include the property at market value. The partners buy the share at balance sheet value. The company is then liquidated, the partners taking the property in their joint names in specie.

Or if the partners do not wish to adopt this method, the shareholders liquidate the company taking the property jointly in specie and then sell it to the partners.

In either case, presumably the Revenue would accept the cost of the property as being the balance on the liquidation distribution account not paid in cash.

You seem to think that liquidation distributions in specie do not produce chargeable gains. This is not so: a distribution in specie is a (CT) deemed disposal at market value by the company, as well as being a (CGT) part disposal of each member's shareholding, for similar deemed consideration.

Are the partners prepared to buy the company? The company's auditors (and solicitors) are best placed to guide you through the tax pitfalls — but do not expect to be able to avoid all of them.

Selling a suite

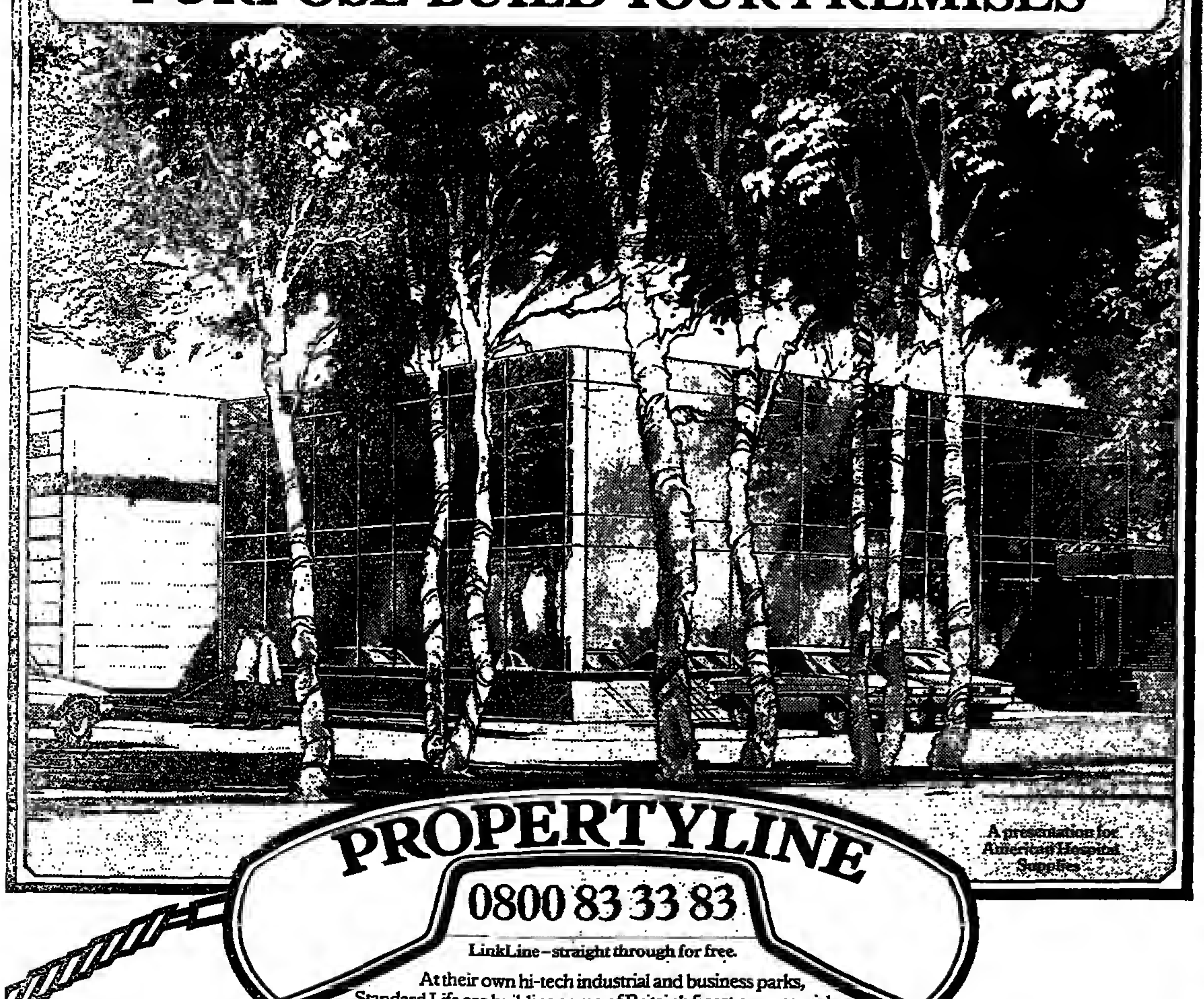
We sell three-piece suites from a warehouse-type location, from stock. Often we sell a suite, label it as sold, and subsequently lose another potential sale on the suite because it is labelled "sold."

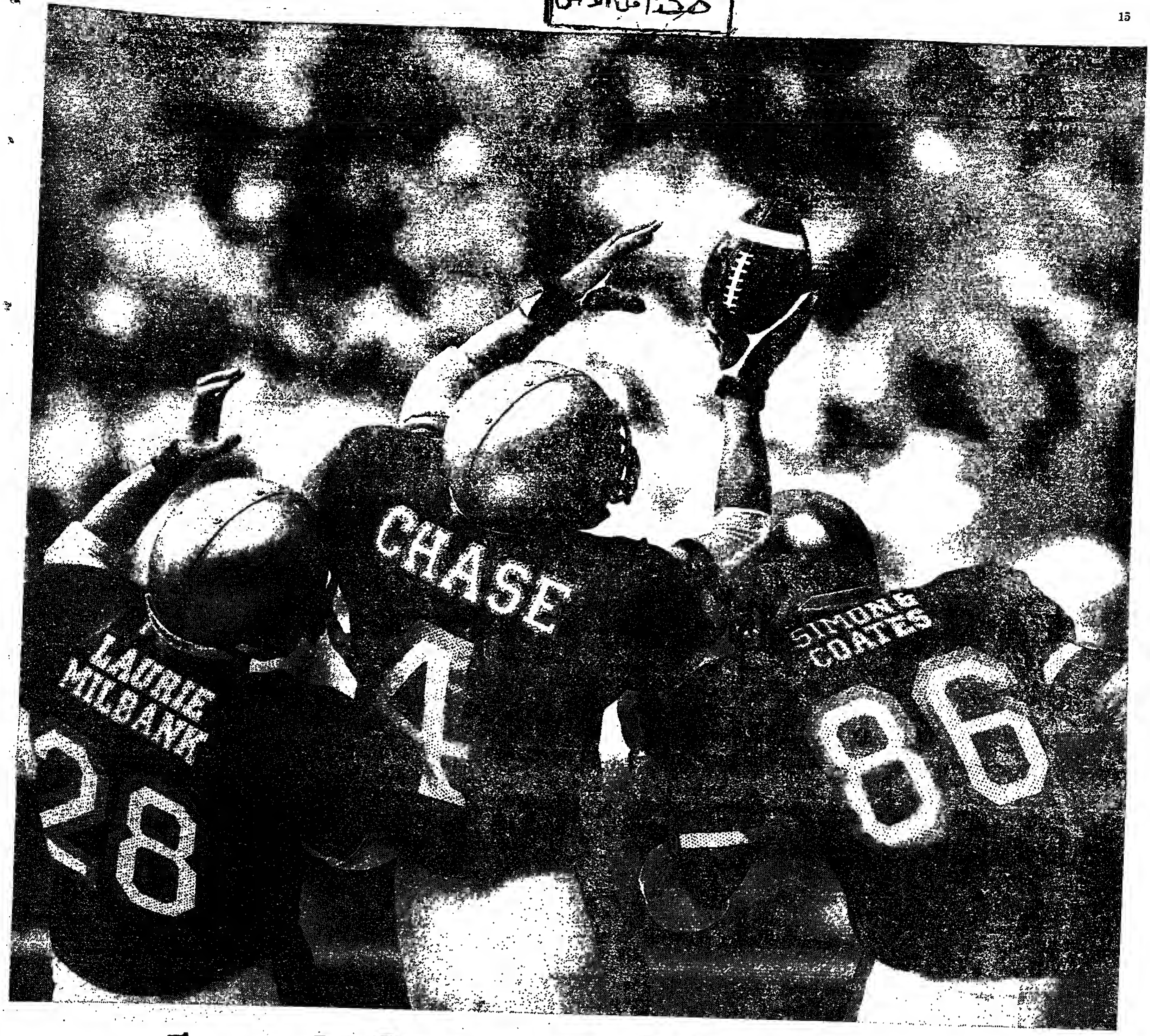
If the customer who agreed to buy the suite subsequently cancels, we have lost not only that sale but the opportunity of selling the suite to someone else while it is labelled "sold."

Supposing the customer who originally purchased the suite pays his deposit on a Saturday, say £100, by cheque, and then subsequently rings up on Monday to say that he wishes to cancel and that he has instructed his bank not to honour the cheque. Can we: sue him for £100; sue him for £100 plus loss of profits; and/or sue him for loss of profits alone? Or have we, as technically his £100 deposit has never been transferred to our account, no claim on the money?

You can sue for the deposit, simply suing on the cheque; and there would be no defence to that. You can sue for the loss of profit (deducting the deposit from the total profit). You have a duty however to mitigate your damage, and so should try to resell, and must deduct the profit on any resale. Thus the net position is that you should keep the deposit (or sue for it on the cheque), but it is unlikely that any further claim is worth making unless it is impossible to re-sell the suite.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.





A well-known New York team just signed up two great players from London.

Chase Manhattan, a giant in the field of global banking, is teaming up with two top stockbrokers from London: Laurie Milbank, and Simon & Coates. With a combination of international banking expertise and newly acquired stockbroking skills, Chase will be meeting the challenge of the 'Big Bang' with a winning side.

As a front line global financial institution, heavily represented in all three major time zones, Chase can promise a 'one stop' trading facility.

They're active in all the important areas: Equities. Eurosecurities. Foreign Exchange. Corporate Finance. Fund Management. Futures and Options. Interest Rate and Currency Swaps. And Gilts and Fixed Interest Securities.

They will also offer a faster, more responsive service. Chase is well-known for their technological leadership in electronic banking and computer systems.

So by all means play the field, but you'll be hard-pressed to find a match for Chase.

THE CHASE PARTNERSHIP

CHASE

NOTICE TO HOLDERS OF

Warrants to Purchase Common Stock of Beatrice Companies, Inc.

Pursuant to Section 6(b) of the Warrant Agreement (the "Warrant Agreement") dated as of September 15, 1984, by and between Beatrice Companies, Inc., a Delaware corporation (the "Company"), and Citibank, N.A., as Warrant Agent (the "Warrant Agent"), notice is hereby given by the Company that the Company, BCI Holdings Corporation, a Delaware corporation ("Parent"), and the Warrant Agent have executed an Amended and Restated Warrant Agreement (the "Amended and Restated Warrant Agreement") dated as of April 17, 1986, in connection with the hereinafter described Merger.

An Agreement and Plan of Merger (the "Agreement") dated as of November 14, 1985, and modified as of February 2, 1986, was entered into by and among the Company, Parent and BCI Merger Corporation, a Delaware corporation and an indirect subsidiary of Parent ("Merger Sub"). In accordance with the Agreement and the Delaware General Corporation Law, Merger Sub was merged on April 17, 1986 with and into the Company (the "Merger") whereupon the separate existence of Merger Sub (except as may be continued by operation of law) ceased, and the Company continues as the surviving corporation. As of the effective time of the Merger, each share of common stock, without par value, of the Company (the "Shares") issued and outstanding immediately prior to the effectiveness of the Merger (other than (a) Shares which were issued and outstanding immediately prior to the effective time of the Merger and owned by Parent or any direct or indirect subsidiary of Parent, or which were held in the treasury of the Company or its subsidiaries and (b) Shares held by any holder who had perfected dissenter's rights under the Delaware General Corporation Law) was cancelled and extinguished and converted into the right to receive (i) $40 in cash, without any interest thereon, and (ii) 10/25 of a validly issued, fully paid and nonassessable share of Cumulative Exchangeable Preferred Stock of Parent with a liquidation preference of $25 per share.

The Amended and Restated Warrant Agreement provides that the Company after the Merger specifically ratifies all of the obligations which the Company originally undertook pursuant to the Warrant Agreement and the warrants issued thereunder (the "Warrants"). The Amended and Restated Warrant Agreement provides that the holder of each outstanding Warrant to purchase Shares shall have the right during the period such Warrant is exercisable as specified in Section 4 thereof and subject to Section 5 thereof, after the effective date of the Merger, to exercise such Warrant for (i) the right to receive $1092.16 in cash, without any interest thereon, and (ii) 10.9216 validly issued, fully paid and nonassessable shares of Cumulative Exchangeable Preferred Stock of Parent with a liquidation preference of $25 per share.

The Amended and Restated Warrant Agreement also provides for adjustments which, for events subsequent to the effective date of the Amended and Restated Warrant Agreement, are as nearly equivalent as practicable to the adjustments provided for in Section 5 of the Warrant Agreement.

Any questions regarding the Amended and Restated Warrant Agreement or the effect of the Merger on outstanding Warrants should be directed to.

Mr. Michael Quane
Beatrice Companies, Inc.
2 North LaSalle St., 25th Floor
Chicago, Illinois 60602

BEATRICE COMPANIES, INC.

APPOINTMENTS

Changes at Appledore

Following the death of Mr Peter Nash, chairman and chief executive of A. & P. APPLEDORE GROUP, Mr John Alexander, a director since September 1984, becomes chairman, and **Mr Anthony Mackesy**, co-founder and deputy chairman, becomes chief executive. **Mr Donald McLean**, as chief executive of A. & P. Appledore International, is group director responsible for the activities of the managed shipyards, while Mr John Craggs remains group director responsible for the consulting activities through his position as chief executive of A. & P. Appledore. **Mr Richard Woodhead** assumes responsibilities as group director for marketing and development.

★

Mr John Wilmot has been appointed to the board of HILL SAMUEL & CO and joins the bank as head of distribution in its gilts operation. He was a partner of Pember & Boyle. Prior to that he was a partner of and head of gilts at Laurie Milbank.

★

Mr Charles Flaxman, who retires as the underwriter for Syndicate No 990 (Denham) at Lloyd's later this year, is to join BOWRING PROFESSIONAL INDEMNITY on August 4 as a consultant.

★

Mr Hedley S. Thomas, a divisional director of Price Waterhouse Urwick—Urwick division, has been elected president of the INSTITUTE OF MANAGEMENT CONSULTANTS for 1986-87. Mr Michael J. Allen of Michael J. Allen and Partners, has been elected senior vice president. Mr David Williams of Sedgwick-Edwards joins Mr Denis C. Tindley of Deloitte Haskins and Sells management consultancy division as vice president of the Institute. Mr Tindley is also the Institute's honorary treasurer.

★

Mr J. D. F. Barnes, chairman of ICI paints division, has been appointed an executive director of ICI from August 1. He joined the company's pharmaceuticals division in 1957. From 1960 he was involved in the division's expansion overseas, being responsible primarily for the development of the European market. Mr Barnes joined the division board in 1971 as overseas director, leading further expansion into the Japanese and US markets. He became a deputy chairman in 1977. In June 1983 he was appointed chairman of the paints division.

Mr David Barnes, chairman of ICI paints division, joins the main board in August

★

Mr Nigel J. Forsyth has joined the WARD GROUP as chief executive. He was executive chairman of the power transmission manufacturing and marketing companies and a main board member.

★

Mr R. C. Pooley has been appointed deputy chairman of C. E. HEATH following the retirement of Mr D. J. Barham.

★

Mr Osamu Fujisawa, director general of the JAPAN EXTERNAL TRADE ORGANISATION'S London office is being reassigned to Japan. His successor is Mr Shuji Ogawa who was director of the overseas economic co-operation first division, Economic Planning Agency.

★

The chairman of Swan National Rentals and Leasing, **Mr Freddie Aldous**, has been re-elected president of the European Car and Truck Rental Association (ECATRA) for a second two-year term. Mr Aldous is also president of the British Vehicle Rental and Leasing Association (BVRLA). He is the first person to hold the position of president of ECATRA and the BVRLA at the same time.

★

HAMPTON GOLD MINING AREAS has appointed at its Yorkshire engineering subsidiary, Wultex Machine Co, **Mr M. W. Mills** as managing director and **Mr P. Gilmore** as production director. Mr Mills was with McCorquodale as managing director of various subsidiary companies.

★

Mr R. E. Bridge has been appointed managing director of the composite division of E. W. PAYNE. He was a divisional director of the overseas division. The company is a member of the Sedgwick Group.

Sir Philip Harris joins Fisons

Sir Philip Harris, chairman and founder of the Harris Queensway Group, is to join the board of FISONS as a non-executive director in June. Sir Philip will replace former Fisons chairman, Sir George Burton, who has retired as a non-executive director.

★

MADSAR (UK) has appointed **Mr Anthony W. Peers** as a main board director in charge of agricultural development. He has recently retired from the civil service where he was deputy chief natural resources adviser and principal agricultural adviser in the overseas development administration (ODA).

★

JOHN TOWNSEND & CO, insurance brokers at Lloyd's, has appointed **Mr Alan R. Bavin** as managing director.

★

Mr Lee Bowerbank, previously sales director of Mattel, is to join TOM SMITH, a cracker and party products manufacturer, as general sales director.

★

KORES NORDIC (GB) has appointed **Mr Gerry Pussard** as managing director. This follows the appointment of **Mr Anthony J. Jackson**, the previous managing director, as chairman.

★

Mr Richard Dyson, a past chairman of the Hospital Caterers Association, is to join contract caterer GARDNER MERCHANT in the new post of development director, education and health care division, from June 9. He was district catering adviser to the city hospitals unit of Nottingham Health Authority.

★

Mr Phil Robson has been appointed deputy managing director of TAYLOR HITEC, a robotic company based in Chorley. He is a director on the main board of B. and R. Taylor.

★

Mr John Nickell-Lean has joined GODDARD KAY ROGERS (NORTHERN) in Leeds as a consultant. He was export director of Dormeuil, responsible for the Japanese and Far Eastern markets.

★

Mr David de Borman has joined the board of Saxon International, Sun Key Villas, and INDUSTRIAL, COMMERCIAL AND FINANCIAL SERVICES. He will also act as consultant to Saxon Investment and Trust.

★

Mr Glyn Samuel has been elected national chairman of the ROAD HAULAGE ASSOCIATION for the ensuing two years. He is chairman of Flowers Transport, York. **Mr Roy S. Bowles**, chairman of Roy Bowles Transport, and **Mr R. D. Heaton**, chairman of Heatons Transport (St Helens) were elected vice chairmen.

★

Mr Joseph C. Williams, a vice president of Alliance Capital Management Corporation, has been appointed a director of ALLIANCE CAPITAL MANAGEMENT INTERNATIONAL INC, London.

★

SPEYHAWK has appointed **Mr Michael Thomas Pudelek**—formerly managing director of Wiltshier Construction—as joint managing director of The Osprey Company, which specialises in the development of retirement housing in the south east of England.

★

Mr R. S. Gauld has been appointed president of the NATIONAL ASSOCIATION OF FUNERAL DIRECTORS for the next 12 months.

The Sanwa Bank, Limited

(Incorporated with limited liability in Japan)
Commercial Union Building, 1 Undershaft, London EC3A 8LA

US $25,000,000
Callable Negotiable Floating Rate
Dollar Certificates of Deposit due 22nd June, 1987

In accordance with the provisions of the Certificates, notice is hereby given that The Sanwa Bank, Limited ("The Bank") will prepay the principal amount on the next Interest Payment Date, 20th June, 1986, together with interest accrued to that date.

Payment will be made against presentation and surrender of the Certificates at The Bank's London Branch.

Agent Bank
Chase Manhattan Bank N.A.

Dansk Eksportfinansieringsfond

(Danish Export Finance Corporation)
(Established with limited liability in the Kingdom of Denmark)
Issue of up to U.S. $200,000,000
Floating Rate Notes Due 1995
of which U.S. $181,500,000 is being issued as the initial tranche

Notice is hereby given that the interest payable on the Interest Payment Date, June 20, 1986, for the period December 20, 1985 to June 20, 1986, against Coupon No. 2 in respect of U.S.$10,000 nominal of the Notes will be U.S.$381.89 and in respect of U.S.$250,000 nominal of the Notes will be U.S.$9,547.25.

May 21, 1986, London
By: Citibank, N.A. (CSSI Dept), Agent Bank CITIBANK

Lloyds Bank Plc

(Incorporated in England with limited liability)

U.S.$750,000,000
Primary Capital Undated Floating Rate Notes (Series 1)

and

U.S.$500,000,000
Primary Capital Undated Floating Rate Notes (Series 2)

Under the federal income tax laws of the United States of America, the interest payable with respect to the above-referenced Notes in definitive form is generally subject to information reporting requirements if paid to a payee who has an address within the United States (as defined below). However, these United States information reporting requirements do not currently apply in cases in which a payee is known to a Paying Agent as being a corporation or as being a person who is not a United States person (as defined below), and in such cases Coupons with respect to the Notes will be honoured without inquiry or certification as to the identity of the payee. In this context the Paying Agents are not currently required to make any inquiry or demand any certification as to the identity of the owners of Coupons presented on behalf of either the Euro-clear System or CEDEL S.A.

NOTICE IS HEREBY GIVEN that in all cases other than those in which the payee is known to the Paying Agents as a corporation or as a non-United States person, the Paying Agents will, pursuant to Condition 5 of the Notes and before making payment, inquire as to the address of the payee and require each payee providing an address within the United States to complete a United States Internal Revenue Service Form W-9, which includes his name, address, and United States taxpayer identification number.

For the purposes of this notice, "United States" means the fifty states and the District of Columbia, and "United States person" means an individual who is a citizen or resident of the United States, a corporation or partnership created or organised in the United States or under the law of the United States or of any State or Territory, and an estate or a trust that is subject to United States federal income tax without regard to the source of its income.

Lloyds
Bank

21st May, 1986
By: The Chase Manhattan Bank, N.A., London, Agent Bank

THE ARTS

Television/Christopher Dunkley

So much hot air about the weather

Nothing, it seems, will stop the development of the weather into one of the major constituents of our television schedules. It can only be a matter of time before we see a regular 15-minute programme devoted exclusively to the weather, despite the fact that the notion of Britons being fascinated by their climate seems little more than a popular myth.

Time was when the forecast received a brief but perfectly adequate mention after major news bulletins, and those who needed something more detailed trawlermen or farmers—would listen to those wonderfully evocative announcements about Rockall, Malin and Cromarty on the wireless. Now the weather is being promoted as an all-singing, all-dancing obsession, and the people who read the forecasts are being elevated, or do I mean reduced, to the status of "television personalities."

Weather girl Wincey Willis from *Good Morning Britain* turns up on game shows, weather boy Francis Wilson is the resident male sex-object on BBC1's *Breakfast Time*, Ian McCaskill prefaces the BBC forecast with comedy patter, and Michael Fish comes on like a male mannequin.

Given that a good barometer and a glance out of the window seem more reliable than the average forecast, how should we explain this craze? The disproportionate time given to the weather by the breakfast programmes (which need all the cheap content they can get) and the copycat effect in other parts of television are partly to blame.

The press is not blameless. Eddie Shah, needing to show off the colour printing capacity of *Today*, introduced a full-page forecast, and now the *Daily Mail* has expanded its "Weather" feature and added little pictures of Fish and McCaskill. The papers follow television and television follows the papers in a vicious circle which results in more and more space being devoted to the weather without any evidence of public demand.

My vote would go to any programme which abandoned dinky little symbols and baffling computer-driven satellite pictures and announced the likely temperature in Farenheit.

*

The best thing, so far, about the series on the north/south divide, *Forever England* (Part 3 on BBC2 tonight), is the photography. The BBC has always spoiled us by providing outstanding film cameramen not only for big prestige programmes, but even for the most insignificant odds and ends of current affairs, and ITV has followed in that tradition.

Thus even a three-minute filmed insert in a programme such as *Top Gear* or *Blue Peter* will be shot with high professionalism and often remarkable flair. Watch out for the wobbles, the poor focus, and the bad framing on much of the imported material in news, sport and current affairs and the impressive consistency of British film cameramen becomes obvious.

John Warwick's photography on *Forever England* has been not just efficient and imaginative (which has helped considerably with some of the interviews) but often beautiful.

Beryl Bainbridge's script, on the other hand, has often been peculiar. The relevance of one section about *A Passage To India*, delivered over pictures of a ladies' bowls team, never did become clear, and the claim "Up on the field the figures of little boys wander like lost souls" seemed odd when we could actually see the boys *rushing about playing football*. Last week either I misheard her or she said "When yer young yer don't care a bit about durability, you could wear a string of beads and a carrier bag and feel like a million dollars."

*

I wish I liked *Mapp and Lucia* more. The cast is splendid and the casting spot on: after seeing Geraldine McEwan as Lucia and Prunells Scales as Mapp it is difficult to imagine anyone else in the rôles, and the aptness of the choice runs right through an extensive cast. The production values are high: authentic costumes, vintage Rolls, good locations. The feel of the thing is entirely convincing whether it is a question of provincial pride and naivety, the '20s arty set, or colonial influences during the decline of the Empire.

Yet somehow it adds up to *less* than the sum of *its* parts, and watching becomes a chore. Partly it is the tedium of the jokes: when you have heard "Un po' di musica" seven times and "Au reservoir" 17 times the humour begins to wane. Geraldine McEwan's bat-like squeak as she ruminates on her next pronouncement is funny on the first three occasions and irritating on the 11th.

But perhaps the real trouble is the absence of a single sympathetic character. Of course one wants the more witty and stylish Lucia to triumph over Mapp, the scheming gossip, yet that does not make Lucia a likeable character. The only people who begin to inspire any fellow feeling are the servants, and they scarcely feature. Soppy Georgie with his embroidery and his bibelots needs a good kick in the pants, the idle and concieted Lucia ought to have her affected nose rubbed in some of the realities of the world, and one longs for the ghastly Mapp to get her come-uppance.

None of this has ever happened, it does not look as though it ever will, and so there is little *temptation to keep* going back for more.

*

Monday's *Nine O'Clock News* proved that BBC news reader Julia Somerville has picked up Jan Leeming's scatty habit of pronouncing "de-fuse" as "diffuse" thus expressing precisely the opposite of what is intended. "diffusing" a bomb meaning to send it out in all directions, "de-fusing" a bomb meaning the prevention of that occurrence.

Generally speaking pronunciation is a pretty unimportant matter except when mispronunciation impedes understanding. It simply does not matter whether you say *controversy* or *controversy*; neither one is more logical, let alone "correct."

However, the current craze exemplified by helicopter pilot *Dick Smith in Sunday's World About Us* for saying "kill-*om*-etre" instead of "kilo-metre" surely is illogical and ultimately confusing. The metric system is based on the metre; kilo modifies metre as does centi or milli. If we adopt "kill-*om*-etre" then we must presumably say "cen-*tim*-etre" and "mill-*im*-etre" and the reasoning behind the whole system breaks down.

It is hard to believe that seven years have passed since the weekend at Bowness-in-Windermere when some of us gathered to watch the recording of Brian Lapping's first series of "hypotheticals" for Granada Television. These programmes, in which people who might be involved in some real crisis or moral dilemma meet to discuss and act out a hypothetical case for the cameras, have proved their value repeatedly in the intervening years.

The new trio of programmes last week, entitled *Society, Science and Sex*, dealt successively with test-tube babies, surrogate motherhood, and Aids. As so often the "make-believe" process produced declarations and *admissions* which it is hard to imagine could ever have been dragged out of the participants had they simply been subjected to a normal current affairs grilling.

There were, however, striking differences between the standards and the degree of involvement achieved. The opening programme was the best, and the main reason was that barrister Geoffrey Robertson *was the moderator*, the person who outlines the hypothesis, eases the participants into their rôles, and then *moves* the action forwards with successive suppositions.

In Lapping's early series American lawyers made the best moderators gaining, presumably from the dramatic style of presentation acceptable in American courts. Robertson, who always had a lawyer's command of his brief, has subsequently developed a degree of theatricality and an ease of manner — the Perry Mason touch—which probably makes him the best person now available for this highly specialised rôle. Indeed, he did not seem to me to need the schoolboyish names ("The Sultan of Malaria, an impotent Eastern potentate" etc) in which the hypotheticals tend to indulge.

The *Aids* programme with American professor Arthur Miller was good but less compelling than Robertson's; and the surrogacy episode with moderator Helena Kennedy having, I take it, her first go, was the least successful. The reason was that although there were some extremely good participants they were too often addressed as their real selves and allowed to answer as such.

It is of the essence that the appearance of pretence, if not genuine pretence, be maintained at all times. Only then, as with the suspension of *disbelief* in a theatre, can the hypothetical take wing.

Geraldine McEwan and Prunella Scales as Mapp And Lucia

Sons of Cain/Wyndham's

Michael Coveney

After *Chess* and *Real Dreams*, yet more TV screens on the London stage, this time a mere seven, bearing the image of *Ray Barrett* as an Australian politician refusing to sanction an enquiry into the case of a sacked policeman. David Williamson's play, a sort of small-scale "Oz Pravda," proceeds to chart the fate of an investigative weekly and its bullish editor as they pursue corruption stories in high places until the high places are upstairs in the proprietor's dining facilities.

My first reaction is one of disappointment that the author of such euphorically satirical, unforgiving plays as *The Removalists* and *Don's Party* should be paddling around in such obvious but shallow water. However, it is possible to see the piece as a statement of a national collective guilt over Australia's recent contribution to journalism throughout the world.

The key characters are a publisher who'd "really enjoy newspapers if it wasn't for the journalists"; a management executive torn between boosted circulation figures with the corollary of flirtatious lunches and the flickering embers of a *moral zeal; and the crumpled*, hard-drinking journalist who is hired to edit the weekly and to win respectability for a tarnished empire.

The editor, Kevin Cassidy, is played by Max Cullen as a distinctly chaotic chauvinist who bears more than a passing resemblance to Karl Malden after a rough night.

Williamson sets up a debate about the ethics of journalism by showing Cassidy hiring three female journalists, all of them spiritedly played: a feminist academic (Liddy Clark), a hard-bitten survivalist feature writer (Anna Volskaj, and an idealistic stirrer (Susie Lindeman) whose sister happens to be a drug addict.

The larger frame of reference is that business prospers thanks to a trafficking racket on an old style Chicagoan scale. In this respect, Williamson's play, which aspires to dramatic historical statement along the lines of the previous (to *Pravda*) Brenton and Hare collaboration, *Brassneck*, runs out of gestural gas, falling back on mere inference. The world out there is a horrible place, but it never impinges on the theatrical decorum of an old-fashioned one-set play that would hardly cause a righteous ripple unless you knew about Brian Toohey's investigative campaigns on the Australian weekly owned by the Fairfax organisation.

John *Noble's* production for the Australian Elizabethan Trust is part of an Equity exchange deal that landed hapless Aussies with Ray Cooney's *Run For Your Wife*. I should complain! The best acting is from the girls. Jon Ewing and Donald Macdonald are, respectively, rigidly irate and gleamingly malleable as the proprietor and executive, while Max Cullen offers an intriguing but unsatisfactory display of kickstart jump reaction acting that I thought had gone out with the advent of, well, the TV screen.

Alastair Muir

Jon Ewing and Max Cullen

Creditors/Almeida

Martin Hoyle

Two *casual acquaintances* talk in a holiday hotel. They discuss the younger man's wife. She has been married before, apparently to "an idiot." Gradually the older man undermines his friend's faith. Phrases like "the snake is full; now she vomits up her victim" are not the words of a born marriage-counsellor. "This woman has never loved you," diagnoses Ian MaDiarmid, his profile recalling more than ever a bird of prey. Accusing the absent wife of cannibalism, of drawing the strength from her exhausted partner, he launches in *to* diatribe against woman: "a half-developed man . . . a youth with udders on his chest." We are in Strindberg country.

Written in 1888 at the same time as *Miss Julie*, a year after *The Father* had marked a new, savage phase in Strindberg's preoccupations, the piece might equally be called *Predators*. In *this emotional jungle, who gives* his trust is lost. Husbands must control their wives or they will be destroyed. Even exchanging confidences leaves one vulnerable.

The stranger, Gustav, is of course revealed as the ex-husband, one of the emotional creditors whose shadow darkens the present, constantly poised to claim what he is owed from the past: in this case the honour stolen by his wife, Telka.

The translator Michael Meyer and an old Strindberg hand, Casper Wrede, have collaborated with the actors on the production. The result is a smoothly polished conversation piece from three of the most intelligent players in the profession.

Suzanne Bertish in what, incredibly, is her first London appearance since her marvellous contribution to the original RSC *Nicholas Nickleby*, portrays the feral nature of one who "knows nothing, but feels" while recalling, beautifully, pictures of Queen Alexandra when young—what a Hedda she would make! Mr McDiarmid is properly aghast at the amoral instinctiveness he has unleashed.

Jonathan Kent's puggish boyishness, a squashed flower in looks, bespeaks the victim with bewildered intensity. Maria Björnson's costumes are handsome; Hildegard Bechtler provides a minimal set—free-standing doorway, fragments of distant landscape against the Almeida's brick walls—for the actors' finely-tuned, cogently spoken exposition of the sex war; between the gloomily glimpsed pragmatic morality of men and the all-devouring selfishness of women. To think Strindberg had two more marriages to go. . .

Janacek's Jenufa/Zurich

Andrew Clark

Janacek's refusal to put a gloss on human character and motivation, as much as his musical palette, marks him out as one of the most original and durable opera composers of the past 100 years. The new Zurich production of *Jenufa*, staged by Yuri Lyubimov and conducted by Christian Thielemann, acknowledges this in its paring down of the drama to an unsentimental and universal level: all human life is there, and we are invited as fellow travellers, not voyeurs.

No doubt the directness of Janacek's language, bolstered by the choice of the opera's original, less optimistic ending, was what appealed most to Lyubimov in *Jenufa*. The inner life of emotion suits his theatrical temperament far better than much of the other operatic repertoire with which he has been thrashing his way around Europe in recent years. He still gives the impression of a man who regards opera as nothing more than a play with a built-in time mechanism. Barring a few liberties, however, this staging represents the opera with clarity and verve.

Some favourite Lyubimov metaphors — revolving side panels and black horizon, for example—are apparent in Paul Hernon's open stage design, which relies on a single collapsible flap to suggest the Burya home. Lyubimov gives a *seasonal slant to each act*—the representation of snow at the start of Act two was especially evocative — and there is the occasional stroke of genius: Laca's horrified flight at the end of *Act one* is made into a *coup de théâtre*, well in keeping with the crescendo of music, and the crowd's discovery of the child's corpse in Act Three is depicted with chilling realism. The only concessions to the folk element are the dances in the first and last act, enchantingly choreographed by Eleanor Fazan.

The production makes use of the overture Janacek wrote and later withdrew, now known as *Jealousy*. It is a good piece of music, as is the original ending, which on this showing had a compression and starkness that seem more true to Janacek than Kovarovic's version. The advice of Sir Charles Mackerrars had been sought on these two parts of the score, though their inclusion appeared to have been dictated more by Lyubimov's concept of staging (with a mime during the overture, for example) than out of a desire for musical authenticity; certainly there was no sign of the Kostelnicka's aria in Act One, cut by Kovarovic but included in the WNO performances two years ago.

Thielemann, a young and talented musician currently based in Düsseldorf, conducted with obvious understanding of the orchestra's role as commentator and voice of emotion. His account was well-paced, if not always mindful of instrumental detail. The singers were easily heard. Jan Blinkhof's Laca had a vocal and visual ruggedness not inappropriate to the part. Stella Axarlis made the Kostelnicka a more sympathetic figure than usual; she has come to the part at the right stage in her career. Martha Mödl's welcome portrait of Grandmother Burya drew on a lifetime's experience, her tone still distinct though faltering. Beatrice Niehoff sang the title role with a large lyrical voice of penetrating strength: a highly promising young soprano. All the other parts were strongly cast and representative of this production's vigorous dramatic individuality.

Theatr Clwyd at the Haymarket

The Theatr Clwyd company, headed by Vanessa Redgrave, will present its two Shakespeare productions in repertory at the Theatre Royal, Haymarket, from Monday for a limited season.

Antony and Cleopatra will open on May 26, followed by *The Taming of the Shrew* on June 10. The directors are Toby Robertson and Christopher Selbie. Other members of the cast include Timothy Dalton, Christopher Bowen and Kika Markham.

Après 'L'Après-midi'/Festival Hall

Andrew Clements

The French tradition from Debussy to Boulez that Simon Rattle has outlined in his five-concert series with the Philharmonia Orchestra over the past fortnight, has given almost equal prominence to Ravel and Messiaen. The homage ended on *Monday with a three-layered* programme that included two of those composers' most characteristic scores — Messiaen's *Et exspecto ressurectionem mortuorum* and Ravel's complete *Daphnis and Chloe*.

Et exspecto remains one of the least compromising of Messiaen's scores. Its deliberately elegiac quality — a sequence of five movements, all of them fundamentally slow and all prefaced by biblical quotations—seems to deny all received ideas of what musical time is all about, something which has preoccupied Messiaen all his composing life. It required great orchestral control to succeed, *particularly* in such an auditorium as this: Messiaen intended it to be performed in a church acoustic, or even out of doors in the mountains, where the climaxes can echo and re-echo and the work's silences become charged with resonances. In the Festival *Hall*, those were *cut short and* the music seemed much terser and bald. Rattle, though, managed to persuade us of its severe beauty, aided by consistently eloquent wind-playing from the members of the Philharmonia.

Daphnis has become one of the most impressive demonstrations of Rattle's flair for orchestral colour and rythmic bite. Consistently, he seems to prefer the complete score to either of the suites, perhaps to underline the fact that, for all its surface brilliance, the music is as tightly organised as many a symphony. Here the structure was conveyed with very few of the usual unconvincing moments, with brilliant orchestral playing again, and the Philharmonia Chorus adding its own wordless colour.

Preceding both these massive scores was Poulenc's substantial monodrama, *La Voix Humaine*, with Elisabeth Söderström as the protagonist. She played her tragic role *for* all that it would take, charging every line with carefully focused passion; *the* orchestra, too, gave eloquent and dramatically acute contributions. But all their efforts could not disguise the fundamental dramatic thinness of Poulenc's scheme, without the psychological intensity of the Schoenberg monodramas that presumably acted as distant models, and with a fairly predictable grasp of emotional tension that winds from one climax to the next without very much gradation.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. *A selective guide to all the Arts appears each Friday.*

May 16-22

Theatre

NEW YORK

Cats (Winter Garden): Still a sellout, Trevor Nunn's production of T. S. Eliot's children's poetry set to trendy music is visually startling and choreographically feline, but classic only in the sense of a rather staid and overblown idea of theatricality. (239 6262).

42nd Street (Majestic): An immodest celebration of the heyday of Broadway in the '30s incorporates gems from the original film like Shuffle Off To Buffalo with the appropriately brash and leggy hoofing by a large chorus line. (977 9020).

Brighton Beach Memoirs (46th St): The first instalment of Neil Simon's mix of memories and jokes focuses on a Depression-era Jewish household where young Eugene falls awkwardly in love with his cousin. (231 1211).

A Chorus Line (Shubert): The longest-running musical ever in America has not only supported Joseph Papp's Public Theater for eight years but also updated the musical genre with its backstage story in which the songs are used as auditions rather than emotions. (239 6200).

La Cage aux Folles (Palace): With some tuneful Jerry Herman songs, Harvey Fierstein's adaptation of the French film manages, barely, to capture the feel of the sweet and hilarious original between high-kicking and gaudy chorus numbers. (757 2626).

I'm Not Rappaport (Booth): In moving to Broadway, Herb Gardner's touching, funny and invigorating play about two oldsters retains its stars, Judd Hirsch and Cleavon Little, who almost conquer the world when they think they are just bickering with each other. (239 6200).

Big River (O'Neill): Roger Miller's music rescues this sedentary version of Huck Finn's adventures down the Mississippi, which walked off with many 1985 Tony awards almost by default. (246 0220).

Philadelphia Story (Arena): Elinor Renfield, who last directed Peter Nichols's Passion Play here, takes on the Philip Barry American classic about a headstrong debutante whose society wedding draws the press to gawk. (488 3300).

Loot (Music Box): John Tillinger directs this high-spirited revival of Joe Orton's 1966 macabre farce featuring Zoe Wanamaker as the homicidal nurse who romances a widower while buying his wife and conniving with their thieving son to hide the body. (239 6200)

CHICAGO

Pump Boys and Dinettes (Apollo Center): Facetious look at country music and down-home country life with a good beat and some memorable songs, especially one played on kitchen utensils has proved to be a durable Chicago hit. (935 6100).

Cats (Shubert): The national tour has stalled here while the T. S. Eliot lyrics and Andrew Lloyd Webber tunes take extra time with an extended run. Ends May 31. (977 1710).

International Theatre Festival: Britain's National Theatre brings The Cherry Orchard directed by Mike Alfreds and The Duchess of Malfi directed by Philip Prowse to a festival that includes an Israeli company performing Joshua Sobel's Ghetto, a Japanese company doing The Trojan Women and local groups like the Body Politic doing Larry Ketron's The Hitch-Hikers and the Immediate Theatre doing Lillian Hellman's Another Part of the Forest. Ends May 25. (644 3378).

TOKYO

Our Japan, Our Summit (in English): A revue by Albion-za. Tokyo's only resident professional English theatre. Comic sketches and music built around a fictitious Japanese family provide material for light affectionate satire. An excellent way to dissipate frustrations, irritations or bemusements – an antidote to the seriousness with which the Japanese view themselves. Starring Stuart Atkin, James House, Jeff Manning. Albion-za's intimate theatre, Ebisu. (443 3903).

LONDON

Lend Me A Tenor (Globe): Fresh and inventive operatic farce by new American author Ken Ludwig set in Cleveland, Ohio in 1934. Dennis Lawson and Jan Francis lead an energetic company in mistaken identity romp, while Verdi's Otello carries on regardless. (437 1592)

Blithe Spirit (Vaudeville): Excellent revival of Noël Coward's smart comedy about a novelist harassed by his second wife and haunted by his first. Pinter's Old Times owes a lot to this play, well directed by Peter Farago, acted without undue Cowardian reverence by Simon Cadell, Joanna Lumley and the alabaster beautiful Jane Asher. (836 9987)

When We Are Married (Whitehall): Matchless comic playing from an all star cast in Priestley's comic warhouse about silver wedding anniversaries undermined by an inconvenient revelation. Bill Fraser is a drunken Falstaffian photographer and the couples are led by Timothy West and Prunella Scales. The 1930 theatre has been beautifully renovated. (930 7765).

Noises Off (Savoy): The funniest play for years in London, now with an improved third act. *Michael Blakemore's* brilliant direction of backstage shenanigans on tour with a third-rate farce is a key factor. (836 8888).

Starlight Express (Apollo Victoria): Andrew Lloyd Webber's rollerskating folly has 10 minutes of Spielberg movie magic, an exciting first half and a dwindling reliance on indiscriminate rushing around. Disneyland, Star Wars and Cats are all influences. Pastiche score nods towards rock, country and hot gospel. No child is known to have asked for his money back. (834 6184).

42nd Street (Drury Lane): No British equivalent has been found for New York's Jerry Orbach, but David Merrick's tap-dancing extravaganza has been rapturously received. (836 8108).

Torch Song Trilogy (Albery): Antony Sher plays Harvey Fierstein's four-hour triptych of the life and loves of a drag queen fighting for emotional and domestic stability. Truthful playing has the effect of cruelly exposing Fierstein's tackily uneven writing. (836 3878).

Lennon (Astoria): A not too critical celebration of the life and music of John Lennon that is enjoyable especially for the musical resourcefulness of the cast and Mark McGann's Lennon look-and-sound-alike. (734 4287).

Interpreters (Queen's): Love among the diplomats, according to Ronald Harwood has a superb role for the matchless Maggie Smith renewing a cross-cultural affair with Edward Fox in the shadow of a summit between The Soviet Union and Britain. Fluent direction by Peter Yates of the West End's best new play of the year. (734 1166).

Are You Lonesome Tonight? (Phoenix): More musical hagiography with Alan Bleasdale's Elvis Presley show using flashback and excellent live recreations of the rock and roll hits to explain how Martin Shaw's magnificently wrecked and flabby King in crushed velvet jumpsuit has reached this pretty pass. Exploitative, but not strictly for tourists. (836 2294).

Saleroom/Susan Moore

Dolls and ducal drawers

A record price for a doll was realised at Sotheby's yesterday. Dating from around 1909, the 22½-in well-dimpled *and neatly dressed nurserymaid* was one of the rarest bisque character dolls produced by the German Kammer and Reinhardt factory — less than 50 are thought to have been made. She found a new owner in a French private collector for £24,200, against an estimate of £10-15,000.

Across the Channel, too, went a Jean Patou crêpe-de-Chine cocktail dress of 1928-35, repatriated at over twice the highest estimate, £4,620, by the Patou couturiers. The doll dressed by the late Laura Ashley in country cotton sprigs, one of 31 clothed last year by leading British designers and sold in aid of the Save the Children Fund, also returned to its family firm, at £400. Dramatic Beer and Lanvin evening gowns of the '30s were acquired by Ulster Museum, at £1,760 and £1,430. Two Northern European erotic dolls, a male and female pair of about 1770, remained unsold.

A buckskin cowboy suit reputed to have been worn by the diminutive Alan Ladd—apparently intended for the actor's wax model at Madame Tussaud's—was sold at £1,210 to the theatre producer Ken Wright. No such question mark hung over a collection of monogrammed underclothing, confidently catalogued as owned and worn by the Duke of Wellington. A red silk W9 below a coronet marked a variety of items, including jersey drawers and two pairs of chamois leather under-breeches. They comprised one lot of Wellington memorabilia once in the possession of the Duke's close friend Lady Salisbury, and were acquired by the Shannon Rodgers Foundation *costume* collection at Kent State University for £1,760.

Three handsome Italian violoncellos failed to reach their reserves at a musical instrument sale at Christie's. Their compatriot, a violin by the *Napolitan* Ferdinando Gagliano faired better, going to a Dutch dealer for £15,120. An English spinet by the London maker Baker Harris of 1776 topped its highest estimate by selling for £12,960.

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Shipbuilding in decline

THE Thatcher Government seems to have been plagued by industrial headaches this year. The Westland debacle was swiftly followed by the controversy over the future of Austin Rover and Leyland Vehicles. Mr Paul Channon, the Trade and Industry Secretary, is now attracting the wrath of Conservative and Opposition MPs for refusing to reprieve the three yards that British Shipbuilders plans to close. In each instance the problems of a weak British manufacturing company have pushed ministers into a defensive posture and caused the Government serious political embarrassment.

In the case of shipbuilding, which is the subject of a House of Commons debate today, there is a danger that the critics will misunderstand the significance and cause of the retrenchment and will prescribe inappropriate remedies. The latest closures will reduce British Shipbuilders' total workforce by more than a third; this is a heavy blow for the workers involved and will exacerbate social and economic problems in the regions concerned, but it is not of great significance for the economy as a whole.

Much of the hand-wringing over the decline of traditional heavy industries reflects a sadly outdated view of their economic importance. Once the latest redundancies have taken place, British Shipbuilders' total workforce will be a mere 5,500—about a tenth that of Marks and Spencer. If a big retailer or clearing bank were to announce the same number of redundancies as British Shipbuilders, there would be little comment and certainly no Commons debate. Any contraction of employment is unwelcome but it is inconsistent to regard it as more serious if it occurs in one sector rather than another.

Cost advantages

It is tempting for critics to attribute the loss of jobs in shipbuilding to lack of government support for the industry. The UK may not have been quite as generous with subsidies as some other countries but it has still pumped £1.4bn into the state-owned company since 1979. There is little evidence that more money would have resulted in more orders, given the chronic overcapacity in the industry and the big cost advantages of competitors in the Far East. The global outlook is so depressed that even the market leaders—Japan and South Korea—have been obliged to cut capacity sharply.

NO 22—8/8½

British shipyards, like their counterparts in the rest of Europe, are at a cost disadvantage compared to their Far Eastern rivals. Further contraction is inevitable. Continued public subsidies to arrest this process can be justified in one of two ways: either as a type of regional or social policy or because a significant merchant shipbuilding capability is deemed necessary for strategic or defence reasons. Neither argument looks compelling. It is economically more efficient to provide benefits for displaced workers and retrain them than to subsidise the production of goods that nobody wants: it does not make much sense to resist the shifts in comparative advantage that cause the decline of established industries.

Strategic argument

The strategic argument seems equally weak. It is doubtful that the UK needs to be able to build its own merchant craft: why is ship building more strategic than, say, machine tools or high-tech components such as semi-conductors? And even if it could be shown that the UK needs to maintain a reasonable-sized merchant navy, it does not follow that this navy needs to sail British-made ships.

The outlook for British shipbuilding is not encouraging but the industry could still have a future, albeit on a smaller and more specialised basis, and one which is not dependent on government subsidy. As Mr Graham Day, the former chairman of British Shipbuilders, remarked in evidence to a recent House of Lords committee: "Nobody doubts there is a long term demand for shipbuilding capacity—salt water will see to that." Europe cannot recover its former market share, but with skilful management chunks of the high value-added segment of the market could be won back.

Moderates on the defensive

THE INTENSIFIED speculation about another war in the Middle East, particularly between Israel and Syria, owes as much to mood as it does to facts. The military changes on the ground have been minor and there is little or no evidence of physical preparations for war. But as President Hafez al Assad of Syria recently reminded anyone who might have forgotten: "We wish all kinds of disasters to befall Israel, since we are enemies and in a state of war for 38 years—and the Israelis wish the same for us."

What has deepened in the past few months is the passive acceptance that armed conflict, terrorism and civil disturbance are becoming yet more inevitable in the Middle East. There are two basic reasons: one political, the other economic.

The political failures are numerous but the most disastrous has been the virtual termination of a Middle East peace process. King Hussein's announcement that he could no longer work with the leadership of the Palestine Liberation Organisation buried what little remained of the plan put forward by President Reagan in September 1982.

Syria has meanwhile failed in its attempt to win agreement for a new constitution in Lebanon which might have reduced that country's explosive potential. Few Lebanese doubt that the simmering civil war will flare up again in the months ahead, with all the attendant risks of dragging in external forces. In the Gulf, the war between Iran and Iraq is entering a more dangerous phase with both sides weakened by five-and-a-half years of fighting and more than ever desperate to achieve something that could be presented as a victory.

Aggressive talk

It was against this background of turmoil that the US chose to bomb Libya in response to Col Gadaffi's involvement in international terrorist acts. President Reagan then stirred the pot a little more by suggesting that Syria and Iran could suffer the same fate if they were shown to have been involved in other attacks.

So much aggressive talk has increased the nervousness of even conservative Arab leaders already tussling with the impact of the collapse in the world price of oil and sometimes with their own terrorist problems.

Sharply lower oil revenues and the reduction of other cash flows stemming from the main producing states are already posing grave problems for several of the countries closest to the region's main flashpoints. It is most immediate and acute in Egypt, but domestic pressures are also rising in other countries including Jordan, Syria, Tunisia and Sudan. The capacity of the wealthier Gulf States, particularly Saudi Arabia, to provide emergency balance of payments support is limited by their own decline in income.

This combination of political and economic uncertainty has created an atmosphere in which tiny, unrepresentative groups of ruthless people can wreak very great damage. It probably would not matter much who was responsible if there were another terrorist outrage on a US or Israeli airliner. The demand for retribution would be such it might be impossible to prevent another round of bloodshed.

Calculated risk

These dangers are now so obvious, and so acute in both the short- and long-term to Western interests, that a concerted international effort should be made to reduce the temperature in the region. President Reagan's message on international terrorism has undoubtedly been received, as have the reports of mounting anti-Arab sentiment in Washington. They now need to be offset in order to reassure America's allies in the region, some of whom have felt tarred by the same broad brush.

Mrs Thatcher, the British Prime Minister, will be listened to with great interest when she visits Israel at the weekend. Her message will be of particular relevance to neighbouring Arab countries because of the strong support she gave to President Reagan over the Libyan raid. The Prime Minister won friends on her visit to the region last autumn by her commitment to a negotiated peace and a willingness to take a calculated risk in order to assist the process.

That message—which will also be of benefit to Mr Shimon Peres, Israel's Prime Minister—needs to be repeated more loudly. The moderates in the Middle East are on the retreat. Mrs Thatcher and Mr Reagan must make it clear they will not be abandoned, however hard the extremist fringe attempts to undermine them.

THE AFRICAN NATIONAL CONGRESS

Mr Botha bombs his way to the rescue

By Patti Waldmeir in Lusaka

Trevor Humphries

Nelson Mandela, the spiritual leader of the African National Congress, has been in jail for over 20 years. Last year, Mr Oliver Tambo, the ANC's president, visited London for the unveiling of a Mandela statue

SOUTH AFRICA'S raids on the capitals of Zimbabwe, Botswana and Zambia earlier this week appear, paradoxically, to have got the African National Congress (ANC) out of a tight diplomatic corner.

For even as South African fighter bombers screamed over Lusaka, the ANC's headquarters on Monday morning, Congress officials were pondering a major dilemma: whether to talk about peace to the group's worst enemies in Pretoria, and risk condemnation from radical young ANC supporters in South Africa's black townships; or to refuse to talk and so jeopardise the international community's growing support for their cause.

ANC officials in Lusaka breathed a barely disguised sigh of relief when they learned that Pretoria had not only raided a UN refugee camp in Lusaka, an apartment block in Gaborone and an ANC office and house in Harare, but had also apparently exploded the Commonwealth's much-vaunted peace initiative for Southern Africa in the process.

Until Monday, the ANC was being forced by the Commonwealth to decide, for the first time in its 74-year history, exactly when and under what circumstances it would agree to negotiate peace.

The prominence which the Lusaka-Pretoria axis has played in the Commonwealth's plans for solving South Africa's crisis—the so-called Commonwealth eminent persons group visited Lusaka twice to consult ANC leaders and further visits had been planned prior to Monday's raids — highlights an extraordinary turn-around in the organisation's fortunes in the past 24 months.

For since 1984, in the eyes of the outside world and in the view of most black and many white South Africans, the ANC has been transformed from a somewhat obscure liberation movement (disorganised and demoralised by its expulsion from Mozambique, previously the main ANC base for guerrilla operations), to the status of a potential government-in-waiting for post-apartheid South Africa.

The Commonwealth initiative—which called for a ceasefire by the Congress in exchange for the release of imprisoned ANC leader Nelson Mandela and the legalisation of the ANC in South Africa—has clearly highlighted the new-found respectability of the organisation which is the oldest and most influential underground movement fighting apartheid in South Africa.

But it has also emphasised considerable divisions within the group over the question of the role of violence, and the part to be played by negotiations, in achieving peace in Southern Africa.

It could be said that negotiations of sorts have already begun as each side has been able to feel out the other on important issues through the medium of an almost-constant stream of South African visitors who have been entertained by the ANC in various southern African locations over the past eight months.

In an attempt to broaden the movement's power base within the Republic, meetings have been held in rapid succession with South African groups ranging from liberal white businessmen and opposition politicians to black trade union leaders.

The first publicised meeting was with a group of liberal white businessmen led by Mr Gavin Relly, the Anglo-American chairman, last September. Since then, the ANC has also met a delegation from the official white parliamentary opposition, the Progressive Federal Party (PFP), while white university students and dissident clerics have consulted with ANC officials. Leaders of the new black trades union federation Cosatu and of the anti-apartheid alliance the United Democratic Front (UDF) have pledged common cause. Even a black homeland leader has turned up in Lusaka. (The nominally self-governing homelands exist to keep blacks out of white South Africa and are viewed by the regime's opponents as one of the more obnoxious aspects of apartheid policy.)

The Afrikaner "Broederbond," the powerful secret society also sounded out the ANC on a possible meeting. In the event, talks with the highly influential "Brotherhood" which counts Government ministers and top politicians of the ruling National Party among its members, were ruled out as representing too close a step to direct negotiations with Pretoria.

The ANC's strategy of consultation has, thus, over the past eight months, gone a long way towards creating an international image for the organisation which befits that of a legitimate government in exile, complete with all the diplomatic trimmings.

The aim, say officials in Lusaka, has been to gather the disparate forces of opposition to apartheid under the broad banner of the ANC, in order to push Pretoria to the negotiating table—as far as possible, on the ANC's own terms.

The idea seems to have been that the regime would be forced to negotiate a new constitutional future for blacks by the sheer weight of the political forces ranged against it.

What surprised the ANC and many other observers was, until this week, the apparently conciliatory posture of President P. W. Botha. Through his quiet signals of support for the Commonwealth initiative, he suggested that he might be ready to talk to the ANC.

After half a year of playing the relatively passive role of a shrine for liberal and radical South African pilgrims, the ANC was thus forced on to the defensive. It could accept what most of its members considered the perfidious band of peace being extended by Pretoria—and risk losing credibility in South Africa's chaotic black townships where the ANC's aged leadership in exile is already considered too moderate—or it could refuse and face the punishment from London and Washington—an almost certain rejection of the mandatory economic sanctions which the movement has long advocated.

ANC officials say privately that their dilemma was one of presentation rather than substance: they stress that even moderate members of the group's national executive (which met for three days last week to debate the issue) were not tempted by President Botha's apparent offer. Monday's raids will have only confirmed them in their belief that, given Pretoria's violations of its non-aggression pact with Maputo and continuing military engagement in Angola, the regime cannot be trusted.

ANC officials insist that until they are convinced that South Africa's rulers have accepted the principle of the transfer of political power to the black majority, the two sides will have nothing to discuss. Before Monday's raids, officials were intensely sceptical that President Botha had yet accepted this principle: now they are firmly convinced that he has not.

If President Botha's aim was to try to drive a wedge between the moderate nationalists and the Communists on the national executive; between the exiled leadership and its supporters in the townships; and perhaps between those who run the organisation in exile and its spiritual leader, Nelson Mandela, he has not succeeded. But the potential for deep divisions along all three axes clearly remains a serious threat for the future.

President Botha's recent overtures to the majority nationalist faction in the ANC leadership to sever its contacts with "communists" on the executive and return home to join him at the conference table appears to be a crude "divide and rule" tactic which for the moment has little chance of success.

Members of the pro-Moscow South African Communist Party, and their non-card-carrying Marxist colleagues on the executive, are believed to be relatively few in number. (The highest estimate by diplomats is one-third; President Botha says the figure is 63 per cent) but very influential. Leading SACP member Joe Slovo is believed to be the organisation's chief military strategist and executive member Mac Maharaj, also understood to belong to the SACP, plays a powerful role in the leadership and is one of the movement's most articulate spokesmen.

Oliver Tambo, the soft-spoken lawyer who is the ANC's president is decidedly not a Communist Party member—politically he would be comfortable within the British Labour Party.

ANC officials remain committed, in public and private, to the concept of the movement outlined by Mr Mandela prior to this imprisonment 20-odd years ago. The ANC, he said, is to be a "parliament of the African peoples, accommodating people of various political convictions, all united by the common goal of national liberation." Theoretical divisions, they say, are a luxury which cannot be afforded at this stage.

But should President Botha decide in the near future to legalise the activities of the movement in South Africa—while almost certainly maintaining the current ban on the SACP—the strength of this apparent unity could be tested.

Potentially a far more serious rift is that which appears to be developing between the exiled leadership and increasingly uncontrollable youths in the embattled black townships. While the majority of township youths clearly pay homage to the symbols of the ANC—its flags, its songs, its leaders—few ANC officials would claim that they exercise direct control over their activites.

Officials say privately that they believe President Botha was attempting to exploit this potential division as well: the movement's already tenuous support in the townships would clearly have been jeopardised by any move which could be portrayed as a capitulation to the regime—such as the unilateral renunciation of violence which Pretoria is demanding—while serious doubts must remain over whether the Congress would have been able to keep such a promise in any case.

The third potential division is far less clear, but nonetheless pre-occupying for the ANC: the danger that despite apparently excellent underground communications with the group's imprisoned leaders on Robben Island and in Pollsmoor prison near Capte Wotown, the jailed leaders will begin to differ from the exiled ones on matters of policy.

According to sources close to the Commonwealth team, there is already evidence of such a division: Mr Mandela is reported to have told the Commonwealth group that he considered their proposals a "useful starting point" at a time when decidedly more negative signals were coming from Lusaka.

Opinions on the proper timing of any future negotiation—and the role of the armed struggle in achieving this liberation goal—clearly differ widely across the loose coalition of nationalists, social democrats, democratic socialists and Communists which makes up the ANC. But after Monday's talks, it is difficult to see the movement abandoning the leverage it now exercises through the armed struggle on the strength of promises from Pretoria.

Nonetheless, while the chance of early talks must remain slim, prospects for a future accommodation between the two sides must permit a ray of hope.

For the first time in many years, even hardliners on the ANC are floating the idea that it could accept a form of interim power-sharing with the regime as a step to its eventual goal of political system based on "one man, one vote in a unitary state."

ANC leaders have indicated privately that they may be prepared to accept temporary guarantees for minorities in a new South African constitution—perhaps along the lines of the 20 entrenched white seats guaranteed under Zimbabwe's independence constitution. As long as real political power is held by the black majority, protections for minorities may be negotiable, they say.

The contrast between this apparent flexibility and Pretoria's military raids on three African capitals may have left the ANC once again in a strong diplomatic position, able to combine a seemingly moderate stance with renewed calls for economic sanctions. Unless, that is, Mr Botha comes up with substantial reforms and throws the ball back into Mr Tambo's court.

For all these internal differences the ANC remains, like other pre-independence nationalist movements in Africa before it, a broad based coalition determined not to lose sight of its first and most important goal: a majority rule government.

Men and Matters

US privacy grounded

Americans, who, like the English, tend to regard their homes as their castles, will henceworth have to be a bit more careful about what they get up to in their own backyards.

The US Supreme Court has ruled, five-four, that it is all right for Government investigators to use aircraft to snoop into private property, including fenced gardens, without a search warrant. The dissenting minority regard the decision as a serious threat to the privacy of the home, where it is "most cherished in our society."

The ruling arose partly because the authorities used what is known as "warrantless aerial surveillance" to check a Dow Chemical company complex for air pollution.

But the case that has attracted more attention involved a Californian who was growing marijuana in his backyard, protected (or so he thought) by both a 10-ft and a 6-ft fence — until the police flew over at 1,000-ft and photographed his crop.

The dissenters argued that it would have been unconstitutional for police to have climbed over the fence or used a ladder to peer into the garden without a warrant. So they did not see why "purposeful" aerial surveillance was any different.

The majority, however, took the view that the marijuana grower could not reasonably expect privacy when any private or commercial pilot could quite legally have seen the same thing as the police.

That, too, was contested by Justice Lewis Powell, who argued for the dissenters that the actual risk to privacy from commercial or pleasure aircraft was virtually non-existent. He noted that white people fenced their backyards for privacy, they did not ordinarily find it necessary to build roofs over them as well. That, of course, could now change.

"Ground's always full when Botham plays — they're all journalists of course"

Two into one

English association football was once the mainstay of the working man's Saturday afternoon. Now, after being in decline for many a long year, it is attracting powerful business interests who see that changes in the traditional pattern of the game are inevitable, and that clubs are sitting on some valuable inner city real estate.

Deals to transform football and capitalise on the prime sites of some clubs are being nurtured, together with talk of fewer clubs and a super league.

A financial package that will shake Britain's football traditionalists was unveiled yesterday with deals involving two of inner London's oldest clubs — the near neighbours Fulham and Chelsea.

The Fulham club has been sold for £9m to S. B. Property, a subsidiary of Marler Estates — the company that owns the ground upon which Chelsea plays.

Fulham's new chairman will be David Bulstrode, a former senior executive with the finance house Slater Walker which crashed in the 1970s, and now chairman of Marler Estates.

The Clay family (Ernie Clay and sons Godfrey and Gregory) are selling their 75 per cent of the Fulham club to S. B. Property.

As the two clubs are less than 2 miles apart Chelsea is expected to find itself sharing the Fulham ground within a year or so.

Marler already has planning permission to develop the Chelsea site for residential property.

It could be a sensible deal to provide a shared ground for two football clubs facing uncertain futures.

But approval still has to be obtained from a small number of interested parties whose nuisance value could far outweigh any shareholdings they might possess.

They are the hard-core Chelsea supporters whose violence has become legendary in Britain and Europe. Will they like going to Fulham to support their heroes? What will Fulham make of them?

Cease fire

The chances of Italy imposing a total ban on shooting have become a real possibility.

A coalition of environmental groups have in the last six weeks succeeded in collecting 500,000 signatures to a petition for a referendum in which Italians would be asked to vote on the abolition of shooting.

As every visitor to Italy knows it is a rarity to see a wild bird or animal in the countryside, though in Rome in recent spring weeks there has been a rather feeble dawn chorus.

The reason is that the country is at the mercy of 1.5m marksmen, who shoot almost anywhere, irrespective of private property rights, at a range of birds that includes thrushes, blackbirds and sparrows.

The season for many species is far longer than it is in most European countries.

For the referendum to go ahead it must first be approved by the constitutional court. There may still be a last-ditch attempt at staving off the test of popular opinion if agreement can be reached between the opposing forces.

The proposed legislation would drastically change the law, reduce the length of the season, ban three-shot guns, outlaw the killing of certain species, and abolish such practices as the netting of live birds "for scientific purposes."

But it is by no means certain that a referendum vote would go in favour of abolition. In Italy shooting is the sport of the poor, and of townsmen, and of the big political parties.

From Christian Democrats in the centre to the Communists on the left, they are all firmly in favour of shooting—although some of their members would prefer it to be done with a little moderation.

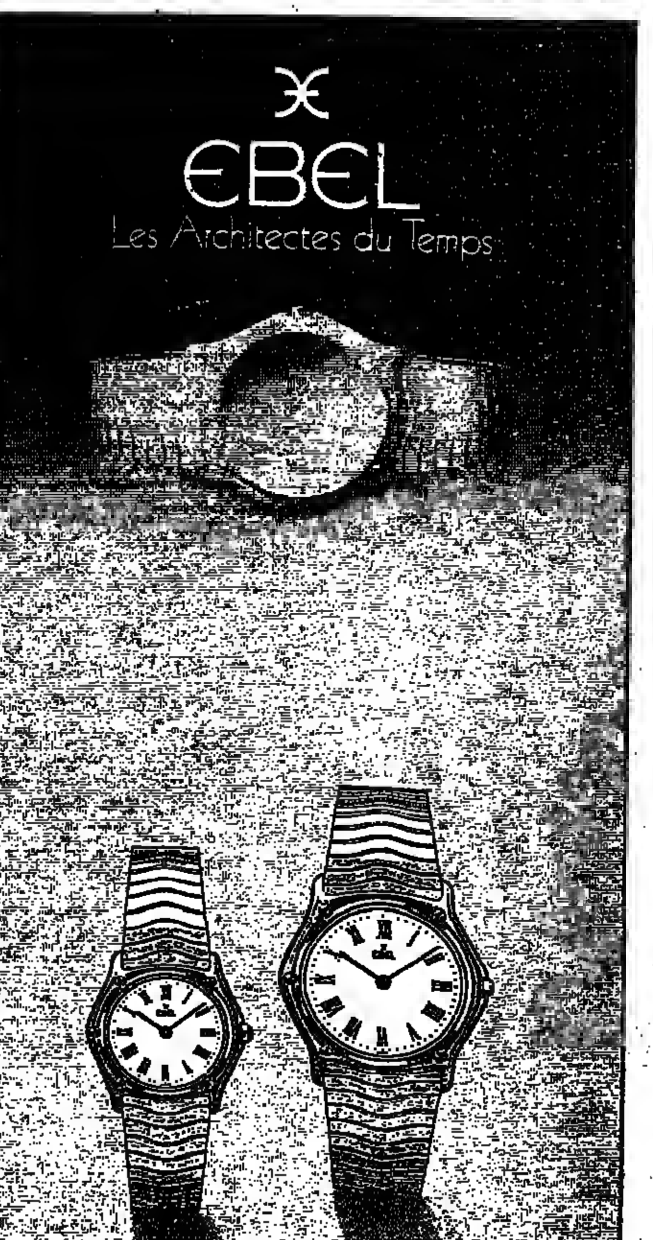
High notes

If Mrs Thatcher is looking for fresh evidence of Britain's affluence at the present time she might find it in the Bank of England's annual report on the bank note issue.

There is a marked trend towards high value denominations. At the end of February, £20 and £50 notes accounted for 29 per cent of the value of notes in circulation—a 2 per cent increase on last year. And for the first time the £20 notes in circulation added up to more than the £5 notes.

It suggests that we're all walking around with slimmer but more valuable wallets. I expect Neil Kinnock to claim that it's all the fault of inflation.

Observer



مركز الأهرام

US takeovers

Why the 'arbs' are under fire

By Barry Riley,
Financial Editor

MR IVAN BOESKY emerged earlier this month as the owner of 9.8 per cent of the stock of Sperry Corporation — worth something like $400m—as he and many other Wall Street risk arbitrageurs piled into the latest American takeover opportunity.

They were confident that the Burroughs/Sperry deal would continue the highly profitable run enjoyed by many arbitrageurs—sophisticated short-term speculators who concentrate mainly, though not exclusively, on takeover bids.

The arbitrageurs have been so successful that many US investment banks and other institutions have moved into the game. But opposition to the narrow and short-term activities of these traders simmers just below the surface.

Two weeks ago it came out into the open when Chemical Bank, a newcomer to the field, moved to restrain the activities of its arbitrage team after a boardroom debate.

And within the last few days a more serious threat to the feverish Wall Street climate of arbitrage and speculation has emerged with the sensational accusations of criminal insider trading levelled by the Securities and Exchange Commission, the statutory US regulatory agency, against Mr Dennis Levine, a mergers and acquisitions specialist at Drexel Burnham Lambert.

The suggestion is that many of Mr Levine's controversial dealings arose through contacts with the arbitrage fraternity. It is widely feared that other Wall Street operators will be caught in the SEC's net.

The concerns arise as the arbitrageurs look back on an unprecedented period of prosperity and expansion. They have pulled in backers from an increasingly wide field.

In March Mr Boesky, reckoned to be the biggest operator in the business, wound up his old corporation and launched a new investment partnership called Ivan F. Boesky and Company. He is reputed to have raised at least $1bn, and though he will neither confirm nor deny this, he emphasises that much of the money has come from respected financial institutions, including pension funds, both in the US and abroad, as well as wealthy private individuals.

Others are also raising money from institutions. One of the medium-sized securities firms, Oppenheimer, says that it has pulled in $120m since last September for an institutional arbitrage fund. Including a private client fund and the firm's own money, Oppenheimer's arbitrage department now manages a pool of money totalling about $400m.

Foreigners, too, are dabbling in the business. The British merchant bank Morgan Grenfell set up an arbitrage team 18 months ago in New York, headed by a Briton — an ex-corporate finance director. "It's been a terrific success," says Mr Keith Harris, managing director of Morgan Grenfell Inc, the British bank's New York offshoot.

Although more money has been going into arbitrage, which might be expected to dilute the returns, the level of takeover activity has been rising too. Moreover, there have been fewer losses from the unexpected breakdown of deals.

Consequently profits have been high. Oppenheimer, for instance, claims a return of 22 per cent between September and March, and April was "super" according to Mr Eric Rosenfeld, head of arbitrage.

"We've been on an incredibly lucky streak," he says, but he does not see arbitrage as essentially a speculative activity. He tries to diversify through as many as 50 different positions at any one time. "I don't think it's risky when done as a business."

The most controversial aspects of arbitrage are the attempts to precipitate takeover bids through the accumulation of large stakes, or even the use (much denied) of insider information. Some argue that such activities should not even come within the definition of arbitrage.

In fact the core of the business is the juggling of risks and returns once a bid has been announced. Typically, there was a huge turnover in Sperry stock once the Burroughs approach had been made public, as institutions sold out and the "arbs" eagerly bought in.

It is chiefly the risk aversion of US investment institutions that makes it all possible. Many are concerned to lock in an investment gain at an early stage of a contested bid. They do not appear to be greatly concerned that this means forgoing the benefit of the higher offers which usually come later.

The reason may be that the fund managers are fearful of being sued by beneficiaries in the unlikely event of the withdrawal of the bid, and a subsequent collapse in the price of the stock. To this end, they are willing to pay some "insurance premiums" to the arbitrageurs.

The variety of investment instruments open to the arbitrageurs in US markets is also important to their success. Options are traded in many individual stocks, and more broadly based options and futures contracts are also available in a variety of interest rates and stock indices.

It is interesting that it is apparently much more difficult to make money through merger arbitrage in the UK, although some US arbitrageurs dabble in the British market.

The tendency of British institutions to hold on until the closing stage of contested offers leaves less room for the arbitrageurs to build up worthwhile positions. Moreover, the actions of the UK Monopolies Commission and the Takeover Panel are not easily predictable.

In the end, the limiting factor for arbitrage in the US could be that too much money will be chasing too few situations, or that the political environment will change, possibly in response to the kind of insider trading scandal which has now alarmed Wall Street.

Meanwhile, as the Chemical Bank episode has shown, resentment by Corporate America over the activities of the arbitrageurs is strong. Notions of shareholder loyalty in the US have been shattered because of the eagerness of institutions to take their money and run.

The arbitrageurs may be willing to hold out for a higher price, but continued independence for the offeree company is at that stage no longer an option. Arbitrageurs now reckon that 90 to 95 per cent of situations in which companies are "put into play" result in a takeover.

For example, by the closing stages of the bitterly contested Hanson Industries bid for SCM, which ended early this year, some 60 per cent of the stock of SCM had passed into the hands of the arbitrageurs. This process, admits Sir Gordon White, Hanson's chairman, is "tremendously helpful" to bidders.

Whether arbitrageurs offer a service to the community by injecting liquidity into the stock market and allowing institutions to sell readily, or whether they undermine the US economy by forcing corporations to manage only on the basis of short-term objectives, are issues which are hotly disputed.

What is certain is that arbitrage has become one of the most reliable money-spinning activities on Wall Street. But such success has also created resentment, and many US industrialists would be more than happy if enough scandal could be whipped up to cut the arbitrageurs down to size.


Ivan Boesky

The UK economy

New light on price rises

By Robin Marris

TWO statistics dominate economic reporting: the level of unemployment and the inflation rate. Most of us, with varying clarity, understand the connection between them—that fear of renewed inflation is the obstacle to expanding real demand and reducing unemployment. But what lies behind the Retail Price Index, which thus governs our economic destinies? We know it is an average of price changes among many commodities. Are there persistent leaders? Can we identify a "competitive" sector of the economy (eg. the "grey economy") where prices, being more influenced by the balance of demand and supply, are less influenced by cost-push?

In pursuit of such questions I decided to try to make use of the more detailed data available in the Department of Employment Gazette and other official publications. What I found was not, in Byron's words, "that which I sought"; but, I believe, equally interesting.

My first discovery was that if a distinctive "competitive" sector exists in the British economy today, an outsider cannot observe it. Government statisticians revise the RPI to incorporate a range of different types of "price-regimes" (from supermarket to barrow-boy), but the way the index is categorised forestalls the kind of dismemberment I needed. Not unreasonably, the index's categories relate to kinds of consumer need, not kinds of markets.

So instead I calculated annual inflation rates for each of the 150 published categories back to 1978. Then I arranged them in inflationary order. I found that in place of a contrast between "competitive" prices and "administered" prices there seemed to be a marked distinction between the behaviour of publicly-administered prices, on the one hand, and what for what of a better adjective may be called "private" prices on the other.

In the former group I include any items whose prices are dominated in one way or another by the acts and policies of nationalised industries, of central or local government, or of central or local government-employees. The excise on alcoholic beverages, for example, is so high that the price of a pint of beer is almost as much a government-set price as is council house rent. Similarly, although mortgage interest rates represent the price of a service rendered by private lenders to house-buyers through the intermediary of the building society, this apparent "market" price is in practice dominated by general money rates, which are in turn dominated by central government monetary policy. Thus the main RPI items included in the "public" category are rents (which in the RPI are mainly council rents), mortgage interest payments, rates, car and TV licences, phones, rail fares, and drink and tobacco.

The RPI item for mortgage interest reflects the rate of increase of nominal interest rates. The excess of the item's inflation rate over the national average inflation rate is thus a measure of the growth of real interest rates. This growth, as can be seen by comparing the mortgage interest row with the "all items" row has been sharp throughout the period.)

Defining "public" prices in this way does not mean treating the government as monolithic. The present central government, while keeping up interest rates and indirect taxes, which are public prices, at the same time exhorts local government to restrain the rates, which are also public prices.

The distinguishing feature of the prices included in my "public" category is not that they are all set in one way but rather that the forces setting them are not the market forces of supply and demand.

Subject to a qualification, the private sector was then defined as "all other." The qualification is energy. Because the 1978-82 inflation, both in the UK and worldwide, was triggered by the doubling of crude oil prices so-called second oil shock (between 1978 and 1980), I created a separate sector of energy items including not only oil, but also coal, gas, electricity and petrol. Corresponding nationalised industries were therefore not included in the "public" sector.

The private sector was further divided (see table) into services and goods, and the latter were subdivided into food, clothing, cars, and "other." (Behind all this lies data gathered by the Department of Employment relating to about 20 items of services, 90 foodstuffs, a dozen clothing items and maybe a score of "other" goods.)

The results are, I think, quite striking. Both in 1978-82, when inflation was rampant, and in the subsequent period, when it was stable (and also in 1985 itself), the public items persistently led. The proverbial man from Mars, studying the table alone, would reach the simple conclusion that our inflation was largely caused by our Government!

This is rather hard on a Government which believes its policies to be anti-inflationary. The interest rate is high to protect the exchange rate. The exchange rate is protected to restrain domestic prices, and so on.

Keynesians and "wets" (the two are not synonymous—one can be a very dry Keynesian as Keynes himself, were he alive today, almost certainly would be) argue that the exchange rate and interest rates are too high and domestic demand too low to permit the rise in exports and domestic output needed to reduce unemployment. Sophisticated Government supporters retort that if the Government lowered taxes and nominal interest rates, while letting the nominal exchange rate slide, domestic inflation would accelerate to such an extent that neither interest rates nor the real exchange rate would, in the event, decline so there would be, ex post facto, no expansion of real demand. Instead of economic recovery, there would be accelerating inflation and general chaos. The only solution, according to this view, is to soldier on until inflationary expectations have been finally ground out of our society.

But what I think my table shows is that this "sophisticated-Thatcherist" argument itself contains a Catch 22. The policy, by creating a state of affairs where "public" inflation, responsible for over a quarter of the weight of the Retail Prices Index, is always ahead of private inflation, is itself a significant factor in the perpetuation of inflationary expectations: to a considerable extent, the reason why earnings, both of public and private employees, push inexorably upwards, is the general belief that inflation is permanent. And a major cause of that belief is the apparently permanent inflation of "public" prices.

This doleful conclusion does not win back the argument for the "wets." It puts the ball back in their court. She who wishes to escape Catch 22 must change the rules. A familiar scheme of rule changes in the Great Inflation Game is known as "prices and incomes policies". The problem then departs from the sphere of economics and becomes entirely political. The "wets" who follow this route may end up, according to history, locked in mortal combat with the unions, out of office or dry.

The author is Professor of Economics at Birkbeck College, London University.

ANATOMY OF UK INFLATION

Average inflation rate, 1978 to 1986*

	Per cent weight 1985-86	Per cent per year 1978-82	1982-86	1985-86
Energy items	11.5	17.8	5.2	2.6
Mortgage interest	4.6	30.2	6.4	18.4
Rent/rates	7.6	19.5	7.6	8.9
Drink/tobacco	11.2	14.5	7.6	6.8
Post/phone	18.0	15.8	3.0	5.0
Other†	1.5	10.2	9.3	9.4
All "public" items	26.7	17.4	7.4	9.4
"Private" services‡	13.2	14.1	5.7	6.7
Food	19.0	10.8	3.6	3.2
Clothing	7.5	6.1	2.1	3.6
Cars§	5.5	10.0	2.2	2.2
Other goods	16.6	10.3	5.1	5.1
All "private" goods	48.6	9.8	3.7	3.8
All "private" items	61.8	10.7	4.1	4.4
All items in RPI	100.0	13.1	5.1	5.5
Imported goods		7.4	5.6	−3.6

* Based on Retail Prices Index in January each year. † Rail fares, car, radio and TV licences. ‡ Includes car maintenance and insurance, restaurant meals. § Comparable models: purchase prices, new and second-hand.

Letters to the Editor

Inheritance tax and trusts

From Mr N. Powell

Sir, — The Finance Bill's effect on charitable trusts has received much attention, but there has been little public comment on the bill's treatment of private family trusts. While abolishing capital transfer tax on lifetime gifts between individuals, the Government appears to have decided to continue charging tax on lifetime gifts to and from family trusts (with limited exceptions in the case of trusts for people under 25 or the disabled). The reasons for this decision have not been given.

The bill's proposal flies in the face of everything that was said by ministers when they were in opposition and debating the capital transfer tax introduced in 1975. The present Prime Minister, the present Chancellor and other members of the committee which debated the 1975 Finance Act were adamant that the tax burden should fall fairly as between property owned by individuals outright and property held in trusts. They put down many amendments to secure this result. As Mr Nicholas Ridley then put it: "What is good enough for persons is surely good enough for trusts."

After assuming office, the Conservative Government made an exhaustive study of the taxation of trusts. In 1980 it issued a consultative document on "Capital taxation and settled property." This made clear that the approach of giving parity of tax treatment to trusts "stems directly from that adopted for estate duty from 1914 onwards, and can perhaps be said to have stood the test of time." After canvassing ways of changing the system, the consultative document concluded that no more satisfactory method could be found. It also made clear that no representations had ever been received against the principle of parity of treatment between property owned outright and property held in trusts.

As the bill stands, a man will be able to make a trust for life for a child aged 24 tax free. If the same thing is done for a child aged 25 there will be an immediate tax charge!

The tax on releases and gifts out of trust will especially affect will trusts set up under the old law. Some widows will have been left with the family home, the family business, or the family farm outright by their late husbands. These will be able to pass them on free of tax (subject to surviving seven years). Many others will have been left the property in trust for life, and these will have to pay tax on giving up their limited interests. This distinction in the tax treatment appears absurd. Furthermore, even if the Government has decided that trusts are to be discouraged, why should a penalty be imposed on bringing them to an end?

Without any explanation the Government seems to have abandoned its own careful study of CTT and settled property, and the principles fought for and accepted in 1975. The new tax régime will operate arbitrarily and unfairly on families who have been influenced to order their lives by principles clearly laid down by this and previous governments.

N. R. D. Powell.
Currey and Co.
21, Buckingham Gate, SW1.

Combating terrorism

From Mr B. Steward.

Sir,—It is perhaps significant that criticism of your editorial on Libya comes (May 15) from an Englishman resident in Washington. If he lived here he would know that opinion polls show that the majority of the British people (whatever "respectable" papers they read) fully support your enlightened and carefully reasoned views. They have learned from experience that war solves nothing and benefits nobody, that violence breeds violence, and that indeed the resort to war as a method of settling disputes has become an anachronism. It may have seemed the right way for ancient Britons to behave, or even in this age for the Reagan Administration, but it is not the way now or in the future if humanity is to survive. The suggestion that the Libyan adventure should be followed in Northern Ireland is too ludicrous to contemplate.

B. A. Steward,
Marden House,
Old Felixstowe, Suffolk.

Councillors and the surcharge

From the Vice Chairman, Islington SDP

Sir,—Richard Evans suggests (May 10) that London councillors potentially subject to surcharge have all been re-elected. This is wrong.

In Islington alone eight members of the former Labour group were defeated at the polls on May 8. A further two—including leader Margaret Hodge herself—would have been defeated if they had dared to face the voters in the wards they represented for the last four years.

And in sharp contrast to the national trend towards Labour, Labour's share of the vote in Islington fell by several percentage points.

Richard Evans also suggests that the district auditor might decide not to press charges because many of the councillors concerned have now been re-elected. I hope he is wrong and that the auditor himself will write to deny that he is influenced by these purely political considerations.

Mary Campbell,
6 Grange House,
Highbury Grange, N5.

Local election results

From Councillor A. Vos

Sir,—I presume that Peter Riddell, your Political Editor, in his analysis of the local election results (May 15) was not setting out a definitive list of seats where the Alliance is challenging the Tories and came ahead in the local elections.

If he was, it is extremely surprising that he omitted the results in the Hazel Grove Constituency (part of Stockport metropolitan borough) where the Alliance share of the vote was 45.2 per cent, Conservative 35.4 per cent and Labour 17.8 per cent.

Since the Alliance was only 2,000 votes behind the Conservatives at the last General Election and Hazel Grove is one of the best half dozen hopes of a gain from the Conservatives at the next General Election, this omission is even more puzzling.

(Councillor) Andrew Vos.
2 Chadkirk Cottages,
Romiley, Manchester.

Politics in Cambridge

From Councillor T. Barnes

Sir,—I was interested to note Councillor Duff's letter (May 15), which seems to show a degree of political maturity, normally lacking in his public utterances.

His comments regarding the 33 per cent rate increase was somewhat surprising — but, none the less, welcome—as during the recent election campaign he, and his colleagues, were claiming that the minority Labour group and the Tory Government were the "real culprits."

Perhaps the election results have caused the Alliance to face the political truism that "... if you claim to be in charge, you have to accept the responsibility. . . ."

As for his comments concerning the results of three city wards, what he failed to say was that in two other marginals (East Chesterton and Cherry Hinton) in spite—or maybe because—of the intervention of Shirley Williams the Alliance vote collapsed.

(Councillor) Tony Barnes.
Guildhall,
Cambridge.

Pollsters and pundits

From Mr N. Winterton MP

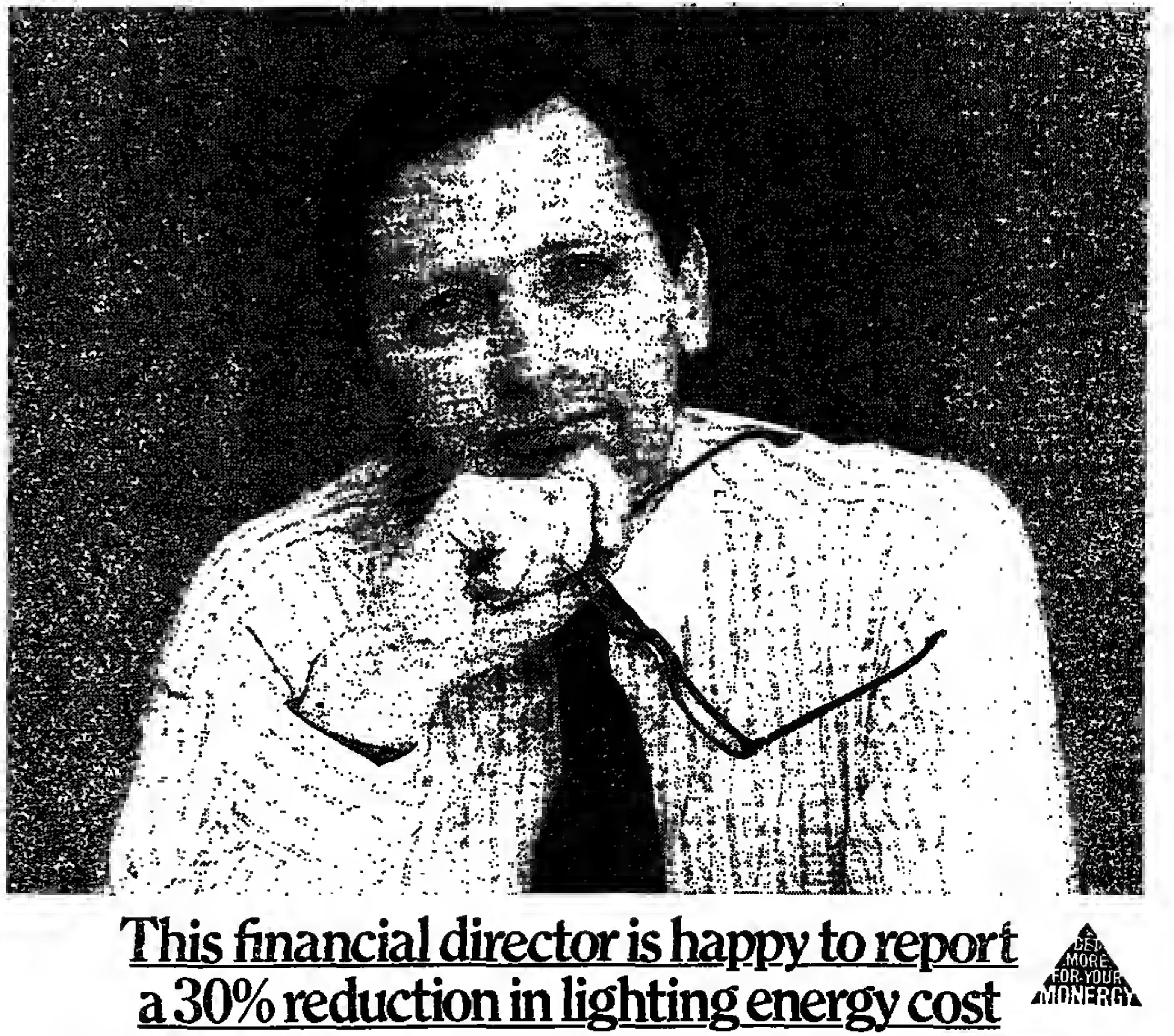
Sir,—Pollsters and pundits have really been having a field-day following the local authority elections last week. Weird and wonderful predictions for future government have been made, but none seem more incredible to me than those put forward by Peter Riddell (May 15) relating to the Macclesfield constituency in Cheshire.

He suggested that if the recent local election results were extrapolated to predict the outcome of the next General Election, then the constituency of Macclesfield, which I have represented for 15 years, would be gained by the Alliance. Mr Riddell should really have done his homework a little better before putting pen to paper. Too many political journalists seem to make profound judgments and statements from south of Watford in virtual ignorance of reality. The fact is that my majority in Macclesfield is the fourth largest Conservative majority in the country and, following the recent local government elections, Macclesfield remains the only Conservative controlled local authority in the whole of north west England!

My vote at the last General Election was almost 60 per cent of the turn out and I can assure Mr Riddell that I do not happen to be one of those Members of Parliament who sit on their backsides and take a majority for granted.

Even had the local election results been as gloomy as Mr Riddell portrayed, the fact is that they cannot realistically be extrapolated to predict a General Election position as Mr Riddell being a lobby correspondent and experienced reporter should have known. Campaigns, issues, turn-out and results differ tremendously between the local and national Government and I am sure that I can look forward with confidence to continuing to represent Macclesfield in Parliament for some time to come.

Nicholas R. Winterton.
House of Commons, SW1.



FINANCIAL TIMES
Wednesday May 21 1986

Channel tunnel legislation delayed in UK

By Michael Cassell in London

BRITAIN'S legislative timetable for the Channel Tunnel Bill was thrown into further confusion yesterday by a decision that will force the Government to hold a House of Commons debate on the issue.

The fresh uncertainty, which will add to the Government's embarrassment over the Bill's rough procedural ride, follows yesterday's split decision by the Commons Standing Orders Committee on whether it should give dispensation to allow the Bill to proceed.

The Bill, introduced after the signing this year of the Anglo-French Treaty to build the £5bn ($7.5bn) fixed link, is in breach of deadlines governing hybrid legislation and needs special permission to go any further. The Government has set a March 1987 target for the bill to become law.

After a two-hour hearing, at which opponents of the tunnel project called for delays that might have seriously disrupted progress on construction, the standing orders committee was divided five-five on whether to let the bill proceed or to allow more time for protestors to assemble their case. Objectors, who claimed the legislation was being "stampeded" through Parliament, included the Dover Harbour Board, Sealink, European Ferries, the Transport and General Workers' Union and the National Union of Seamen.

Mr Harold Walker, chairman of the committee and deputy speaker of the House of Commons, said it would have been "invidious" for him to decide the issue and that it would be referred back to the House.

The Government is now expected to seek an early debate in order to limit any further delay in the bill's progress.

The wording of any motion put before the House will be important but, despite the prospect of a back-bench revolt from Conservative MPs, with constituencies affected by the project, ministers now expect to get the bill back on course.

Eurotunnel, the Anglo-French consortium that plans to build the Channel link, said yesterday it was impossible to gauge the extent of any further delay

The continuing uncertainty will not be welcomed by the consortium or its financial backers, but there is relief that the standing orders committee did not adopt the proposals of the protestors, who believed a prolonged consultation process might have delayed legislation long enough to threaten the entire project.

Opponents of the tunnel had called for an eight-week period, after the bill's second reading, in which protestors could lodge petitions with the select committee appointed to consider the bill. They also suggested that Eurotunnel would have to prove its case for the bill before the committee, which should not be allowed to sit until November.

Thatcher faces pressure on S. African sanctions

BY ROBERT MAUTHNER, DIPLOMATIC CORRESPONDENT, IN LONDON

A DECISION by Britain and the other Commonwealth countries on whether to adopt further sanctions against South Africa might depend on a reply by Pretoria within the next few days to proposals by a Commonwealth group for a dialogue between blacks and whites in South Africa.

British officials were expecting the reply to be sent by Pretoria in spite of the international furore provoked by the South African military attacks on three black neighbouring states on Monday, which were widely seen as jeopardising the Commonwealth's mediation efforts.

Although Mrs Margaret Thatcher, the British Prime Minister, yesterday continued to reject sanctions, in accordance with long-standing British policy, it is clear that she is finding it increasingly difficult to defend Pretoria's actions. In the House of Commons she told opposition leader Mr Neil Kinnock: "I don't believe that sanctions and the isolation of South Africa are any more likely to achieve the desired negotiations after the raid, than they were before." But she went on to condemn the raids "totally and utterly."

The South African action has not changed Britain's fundamental opposition to mandatory economic sanctions, which would be binding on all members of the United Nations. But it cannot be ruled out entirely that London would accept some additional sanctions to those already applied by the Commonwealth and other EEC countries as part of a joint Commonwealth decision.

That will depend on the outcome of a high-level, seven-nation Commonwealth meeting expected to place in London at the beginning of August, possibly at Prime Ministers' level. The meeting will have before it the report of the so-called Eminent Persons' Group (EPG) which has been trying to set up a dialogue between blacks and whites in South Africa.

The Commonwealth heads of government, who set up the group at their meeting in Nassau last October, agreed that if, after a review of the position in the middle of this year, it was found that adequate progress had not been made towards democracy in South Africa, they would consider the adoption of further measures.

Although Mrs. Thatcher did not subscribe to the specific measures outlined, such as a ban on air links with South Africa and a ban on new investment or reinvestment of profits earned in South Africa, it was left open whether Britain would consider other measures.

Three groups race to issue sterling commercial paper

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

HAWLEY, the UK services group, Redland, the building materials concern, and PHH, a US transport company, yesterday won to race to issue sterling commercial paper in London on the first official day of trading.

So great was the pressure to be first past the post that Citicorp said it began selling paper for Hawley under a newly established £100m programme in the small hours of yesterday morning – just after legal obstacles to the development of a market were formally lifted.

Sale of commercial paper, which represents short-term negotiable corporate borrowings bought directly by investors in the money market, had until yesterday been banned in the UK because of restrictive provisions in the Banking Act. These have now been lifted.

Though the total amounts sold yesterday were small, ranging down from just under £15m for Hawley, bankers said the paper met strong demand, especially from UK institutions such as pension funds and insurance companies. It was sold at rates close to, or marginally cheaper than, those available in the competing eligible bill market.

Mr Len Harwood of Citicorp said he had sold £10m of Hawley's paper. He said demand from investors would have been sufficient for sales of at least £25m. Hawley also issued paper yesterday through Merrill Lynch.

Redland is estimated to have sold about £10m of paper under a newly established £80m programme for which Barclays Merchant Bank, County Bank and S.G. Warburg have been designated dealers.

Mr Robin Napier, finance director, said Redland had sold paper at rates "considerably below normal Libor (the London interbank offered rate for sterling deposits) and marginally cheaper than bills."

"Commercial paper is an additional source of meeting the group's permanent working capital funding needs," he said.

Dealers were yesterday generally reluctant to specify the precise rates achieved on initial paper sales, but they are thought to have been close to the mean of the bid and offered rate for sterling deposits, which yesterday stood just below 10.5 per cent for one month maturities.

French bourse 'could absorb' FFr 40bn annual asset sales

BY DAVID MARSH IN PARIS

THE FRENCH equity market should be able to absorb asset sales of about FFr 40bn ($5.6bn) a year as planned under the Government's privatisation programme, according to Mr Yves Le Portz, president of the Commission des Opérations de Bourse (COB), France's stock exchange watchdog.

Delivering his annual report on the state of the country's capital markets, Mr Le Portz stressed yesterday that the FFr 40bn target for asset sales next year, recently indicated by the Government, could be realised only if terms of denationalisation were carefully tailored to meet market demand.

He pointed out that France's equity and bond markets had last year absorbed new issues totalling FFr 389.9bn, 30.7 per cent up on the 1984 figure of FFr 298.4bn. This pointed to the enlarged capacity of the markets, he said. Mr Le Portz stressed that some of the privatisation programme should be carried out through increases of capital of state-owned banks and industrial companies rather than through outright flotations of the Government's holdings.

Last year's issues comprised FFr 73.2bn in new share issues, FFr 307bn in bonds and FFr 9.7bn in non-voting loan stock

The Government has been basing its increased target for future privatisation sales on the greatly increased absorption of the Paris bourse for non-voting shares issues made this year by nationalised companies and banks.

The COB's annual report made a plea for quoted companies to improve flows of information to the public to meet demands of the expanding Paris financial markets. It cited Moulinex, the troubled manufacturer of kitchen appliances, and Majorette, the Lyons-based miniature car company, as having fallen down on requirements to keep the investing public informed of setbacks in their performance.

Control eased on French Telecom, Page 2

Burroughs sets deadline for Sperry bid

BY PAUL TAYLOR IN NEW YORK

BURROUGHS, the US mainframe computer group, has set a deadline of 5pm today for Sperry, its smaller rival, to accept an improved $75-a-share ($4.35bn) cash and paper takeover offer. The higher bid came as Sperry called off merger talks and accused Burroughs of acting in bad faith.

Burroughs' sweetened offer, increased from its original $70-a-share bid, appeared designed to put maximum pressure on Sperry's board. Mr Michael Blumenthal, Burroughs' chairman, yesterday made public the latest bid in a "Dear Jerry" letter dated May 19 and addressed to Mr Gerald Probst, Sperry's chairman.

Mr Blumenthal said Burroughs' review of financial data supplied by Sperry during tha unsuccessful merger talks did not validate Sperry's $80-a-share asking price. The Burroughs chairman added: "In the interest of a swift and amicable transaction, we are prepared to increase our offer to $75 per share."

However, Mr Blumenthal warned: "Our proposal is conditional upon prompt completion of the merger agreement, Sperry not having taken any action which would decrease its value to us, and approval of the transaction by the Sperry board no later than 5pm [New York time] Wednesday, May 21 1986." He added that Burroughs was prepared to resume negotiations immediately.

Burroughs released the letter in the wake of the bitter Sperry response to the collapse of the merger talks, which began last Friday after Mr Blumenthal said his company was willing to negotiate "a meaningful increase" in its offer price.

In a press statement issued yesterday, Sperry claimed that Burroughs representatives had told Sperry orally that that meant a price "north of $75" and that Mr Blumenthal would stay in New York over the weekend to complete such negotiations.

"In response to Burroughs' initiatives, Sperry agreed to meet with Burroughs on the mutual condition that a transaction valued at $80 a share could be achieved, subject to Burroughs' review of certain Sperry financial information," Sperry said yesterday.

According to Sperry negotiations continued on Saturday during which Sperry gave Burroughs "favourable financial information," including the group's current cash position and its financial projections.

Sperry said the negotiations went well until Burroughs tabled its $75-a-share offer, which Sperry said "violates the explicit understanding upon which Sperry commenced negotiation and is evidence of bad faith."

Sperry added that it remained commited to pursuing "all appropriete options" to enhance shareholder value.

Responding to the Sperry statement later yesterday, Burroughs said it was "mystified" by Sperry's response to its cash and paper bid.

In early New York trading yesterday, Sperry shaded $½ to $73¼ as the new bid left the arbitrageurs hopeful of yet higher terms. Burroughs eased $¼ to $58.

Feature, Page 12; IBM's new products, Page 21; Norsk Data share purchase Page 23

World Weather

		°C	°F
Ajaccio	S	24	75
Algiers	S	28	82
Amsterdam	S	23	73
Athens	S	28	82
Bahrain	S	37	99
Bangkok	S	32	90
Barcelona	F	23	73
Beirut	S	23	73
Belfast	F	16	61
Belgrade	F	25	77
Berlin	S	20	68
Biarritz	C	15	59
Bombay	F	32	90
Bordeaux	C	16	61
Brussels	S	22	72
Budapest	S	20	68
B. Aires	-	—	—
Cairo	S	28	82
Cape Town	S	20	68
Caracas	S	29	84
Casablanca	C	20	68
Chicago	S	6	43
Cologne	C	22	72
Copenhagen	S	17	63
Corfu	S	28	82
Dallas	S	14	57
Dublin	F	15	59
Dubrovnik	S	25	77
Edinburgh	C	15	59
Faro	S	24	75
Florence	S	29	84
Frankfurt	C	21	70
Funchal	C	18	64
Geneva	F	23	73
Gibraltar	F	20	68
Glasgow	C	11	52
Guernsey	R	11	52
Helsinki	S	16	61
H. Kong	C	27	81
Innsbruck	F	25	77
Inverness	C	14	57
Islamabad	S	25	77
Istanbul	S	20	68
Jakarta	C	30	86
Jersey	R	12	54
Jo'burg	S	20	68
Lima	S	23	73
Lisbon	F	18	64
London	C	19	66
Los Angeles	C	20	68
Luxembourg	-	—	—
Madrid	C	28	82
Majorca	-	—	—
Malaga	-	—	—
Malta	-	—	—
Manchester	-	—	—
Manila	S	35	95
Melbourne	C	13	55
Mexico City	-	—	—
Miami	C	27	81
Milan	S	28	82
Montreal	F	13	55
Moscow	C	20	68
Munich	-	—	—
Nairobi	C	23	73
Naples	-	—	—
Nassau	S	28	82
New Delhi	F	30	86
New York	-	—	—
Nice	-	—	—
Nicosia	C	24	75
Oporto	F	17	63
Oslo	F	20	68
Paris	C	22	72
Peking	S	27	81
Prague	F	18	64
Reykjavik	C	7	45
Rhodes	S	24	75
Rio de J'o	-	—	—
Rome	S	32	90
Salzburg	S	25	77
San Francisco	F	16	61
Seoul	F	23	73
Singapore	F	32	90
Stockholm	F	16	61
Strasbourg	S	24	75
Sydney	C	19	66
Taipei	C	30	86
Tangier	C	21	70
Tel Aviv	S	24	75
Tenerife	F	22	72
Tokyo	R	17	63
Toronto	-	13	55
Tunis	S	30	86
Valencia	C	22	72
Venice	-	—	—
Vienna	C	24	75
Warsaw	F	18	64
Washington	-	—	—
Zurich	S	23	73

Readings at mid-day yesterday:
C-Cloudy D-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

BA in ticket lottery

Continued from Page 1

three TriStars and one Concorde. Bookings by other passengers for flights on that day have been frozen from last Friday, to keep seats free.

The overall cost of that and other elements of the summer-long campaign will be about £4m, including extensive advertising and other promotional costs.

The draw for the free seats will be made on May 29. The winners will also get one free night in a London hotel and extra nights at substantial discounts, with free or cheap theatre tickets and other holiday inducements.

BA hopes its efforts will encourage up to 1m US tourists to return to the UK this year, but before it takes further action it will wait to see the results of the planned marketing initiatives.

"We are not prepared to prepared to echo the despondency emanating from some quarters, or predict doom for the 1986 summer season," said Lord King. "Nevertheless, it is prudent that we should respond to existing problems. We are determined to defend and sustain our record of profitability."

Lord King said it was impossible to give any precise indication when the airline would be privatised. Much would depend on the outcome of the summer season, and on such other events as renegotiation of the controversial capacity clauses of the Bermuda Two Anglo-US air agreement, currently sought by the UK.

San Miguel share deal causes split in Aquino Cabinet

By Chris Sherwell and Samuel Senoren in Manila

A DISPUTE over control of San Miguel, the biggest manufacturing group in the Philippines, yesterday seriously split the three-month-old cabinet of President Corazón Aquino.

Divisions within the Government came to a head after the official veto of a $165m share transaction involving the brewery and food company. The issue forms the first key test of the corruption-free industrial policy pledged by Mrs Aquino, and threatens to deepen a rift between the left and right wings of her party.

Mr Juan Ponce Enrile, Defence Minister under Mrs Aquino and previously under President Ferdinand Marcos, yesterday condemned the move as an unjustified seizure of private property. Several other cabinet members are believed to share his view.

The decision was made on Monday by the Presidential Commission on Good Government, formed to track down assets linked to Mr Marcos. After weeks of investigation during which several share stakes have been sequestered, it now holds more than half of San Miguel equity and intends to assume control of the company's board.

The deal at the centre of the dispute involved the sale of San Miguel's Hong Kong brewery to Anheuser-Busch, the Budweiser and Michelob beer group of the US. That was to finance the purchase of a 31 per cent stake in San Miguel by a group led by Mr Andres Soriano, a member of the family that founded the company in 1890.

The anti-corruption commission says the stake was effectively owned by Mr Eduardo Cojuangco, a Marcos business associate. It has previously sequestered an 18 per cent stake owned by Mr Cojuangco through 22 companies, and in recent days seized another 2 per cent holding.

But yesterday, Mr Enrile insisted that the 31 per cent stake belonged to the country's coconut farmers and that halting the transaction unfairly damaged their interests.

Mr Enrile is also chairman of the United Coconut Planters Bank (UCPB), which had held the disputed shares as trustee. Mr Cojuangco was vice chairman and president of UCPB before he fled the country when Mr Marcos fell.

The commission insists the seller is Mr Cojuangco. It points out that Mr Soriano, who is acting chairman of San Miguel, originally said the deal was aimed at removing an "antagonistic block" of shares, only to argue later that the shares belonged to coconut Farmers.

Other cabinet members, apart from Mr Enrile, are none the less believed to have supported the deal, if only on the ground that to stop it constituted unwarranted interference in the business affairs of a public company, an important principle for the new Government.

For the commission, which is headed by Mr Jovita Salonga and backed by more left-leaning cabinet members, the issue is whether the Government should contiue to tolerate potentially dubious business practices. Any decision by Mrs Aquino to over rule the commision would be a sensation.

The full effect of tha action is still unclear. The Anheuser deal will no longer go through, while the Soriano group will presumably forfeit the pesos 500m ($24.4m) downpayment it borrowed from banks headed by Hongkong and Shanghai Banking Corporation.

The commission will meanwhile vote the 51 per cent stake now in its pssession and install eight of its people on the 15-member board of San Miguel.

US revises GNP figure up to 3.7%

Continued from Page 1

than accounted for by inventory investment and federal Government purchases." Weaker than initially estimated residential investment and net exports offset some of the gain from stockbuilding.

A weaker second-quarter growth figure is widely expected, not least because of the initial adverse impact of the sudden drop in oil prices this year on economic activity in oil producing states and because of signs of sluggishness in capital spending. But both government and private economists are anticipating that later this year, falling oil prices, lower inflation and the decline in interest rates over the past several months, should give the US economy a boost, particularly if, as the Reagan Administration expects, the trade deficit begins to decline.

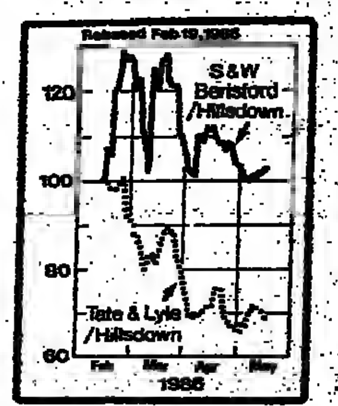
THE LEX COLUMN

Berisford turns to treacle

Taking a broad enough view of the public interest can justify referring almost any deal to the Monopolies Commission for a thorough investigation. And if Hillsdown's offer for S & W Berisford was to be referred, it evidently needed to be on the basis of something wider than strict competition policy.

In the event that something emerged from the pile of conditions under which Berisford first acquired its beet-sugar monopoly five years ago, it seems that before any larger group can buy British Sugar the Berisford conditions will have to be reviewed and possibly reimposed. For Hillsdown this may be a considerable setback.

That apart, the double reference looks like a triumph for the lobbying skill of Tate & Lyle, which can look forward to six months of refining its position in front of the commission and possibly to coming out at the end with something to show for its trouble. But anyone who bought Berisford shares on the bid has been duly punished for taking a gamble.



J. Sainsbury

The sovereign state of Sainsbury is the very model of a modern Tory economy. While labour costs have risen by almost 6 per cent, Sainsbury has squeezed a 5.5 per cent productivity improvement out of the workforce – the biggest such gain for seven years. This is chiefly a reflection of the arrival of information technology at Sainsbury, and with checkout scanning equipment installed at only 28 stores, there is more improvement to come.

This is not the only way in which Sainsbury is defying the supposed gravitational pull on profits from high property acquisition prices, low food price inflation and rising labour costs. The first factor is kept off the profit and loss by the capitalising of interest incurred in store expansion. This item has risen 71 per cent to £15.2m, but seems likely to stabilise. Although food price inflation remains below general cost inflation the opening of bigger stores is enabling Sainsbury to sell more high margin delicatessen items.

The associated companies showed no improvement in the second half over the same period in the previous year, indicating a 30 per cent second half profits rise in the main business, and sales volume is still growing, after like-for-like expansion of 3 per cent last year. Sainsbury has underperformed the sector by 6 per cent this year. Yesterday's 8p rise in the price to 388p has not so much corrected this trend as supported the competition.

Short (and long)

The compny sector's escape from the short end of the banking system had been well-signalled before the sterling commercial paper market finally opened, very early yesterday morning. What came as a surprise on the same day was British Alcan's break-out from very long-term bank finance, when it launched the UK'a first full-blown industrial debenture for the best part of twenty years. If companies can sell 25-year paper on the security of their plant, what next for the banks?

RHM

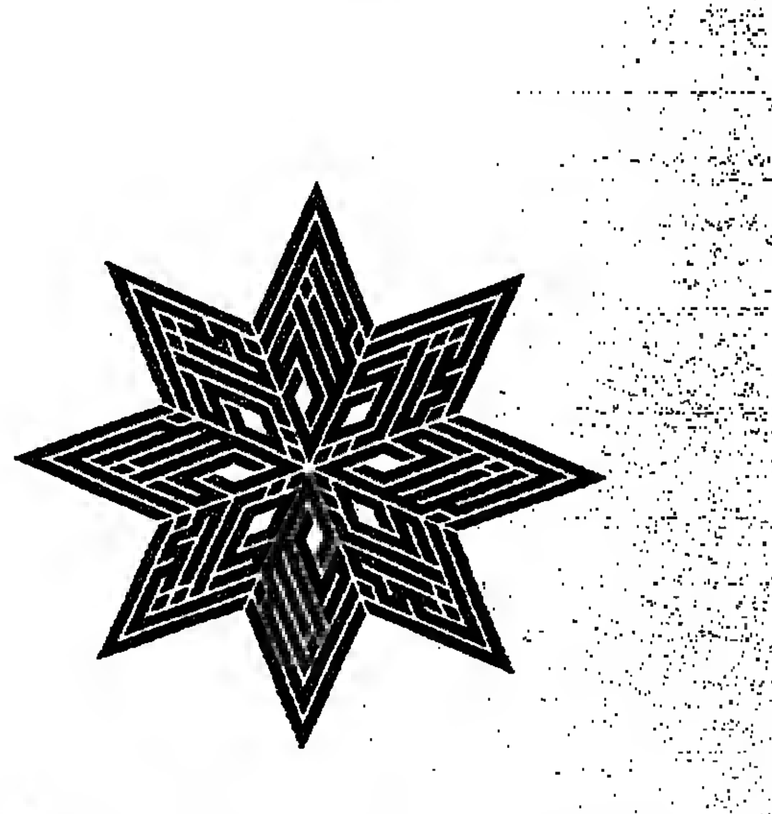
The best policy that a manufacturer of basic foods like bread and cakes can follow in the competitive UK market is to cut production costs and keep the customer amused with a stream of new, heavily advertised, products. Over the last few years Ranks Hovis McDougall has successfully done just that, investing heavily in fewer, more efficient mills and bakeries and trotting out enticing goodies. The benefits are slowly coming through. At last the baking business, loss-making for the last decade, should break even in the second half after cutting losses by around £2m in the first. Next year should see a profit, rising the year after. That helped RHM's pre-tax profits for the six months to March 1 to grow by nearly 10 per cent to £40.2m, and for the year a group pre-tax profit of £90m is now in sight, up from £71.5m.

But there is precious little real growth, rather than recovery, in the group's main markets and much of RHM's effort is spent in standing still. The future lies in channelling cash generated by the mature businesses into acquisitions. So far RHM has made some good but small purchases in the UK and US. The balance sheet is now in a shape for a bigger deal, such as the failed attempt to buy Cadbury's grocery business for close to £100m. A prospective p/e of 11 does not look extortionate, especially when S & W Berisford is a willing seller of a near 15 per cent stake.

British Airways

Flying the Atlantic may be a lottery these post-Libyan days, at least through US eyes, and the drastic reduction in American tourist travel this summer has made the shape of the British Airways prospectus even more of an enigma than it was already. There is at any rate no doubting what BA's priorities now are. Giving away transatlantic tickets in an advertising boost, cutting back on high-season staff, and reducing scheduled services is a mixture which shows BA determined at all costs to keep its pre-tax profit from nose-diving in front of the flotation.

Having been kept on the back burner for so long, the BA team might be forgiven for wondering how to keep the numbers on an improving trend. So far, this has just about been within the limits of the possible. Coupled with a favourable translation effect, the shift from borrowing into leasing has reduced the net interest burden by more than the City expected, though at the price of higher depreciation and operating lease payments. The net effect – lower operating profits but a higher surplus before tax – was generally discounted. But of the cheap fuel bonanza that might have been thought to underwrite next year's growth, there is disappointingly little trace. BA apparently has bought its aviation fuel so cleverly that it will be unable to claw back more than a few millions in the spot markets.



SECTION III
FINANCIAL TIMES SURVEY
Wednesday May 21 1986

Finland

ECONOMY • TECHNOLOGY • INDUSTRY

Conflict on the labour front aroused fears that the traditional Finnish policies of stability and consensus were beginning to fade. A wage settlement has now been hammered out between the government, employers and the unions

Pact ends the turmoil

By Kevin Done
Nordic Correspondent

FINLAND has endured a long and difficult spring as one conflict after another has broken out on the labour market. The central bank has faced a hard fight to combat repeated speculation against the currency and the steeply falling oil price has threatened to leave a deep mark on the country's trade with the Soviet Union.

The Finnish tradition of consensus, that has been so carefully built up in recent years, has come under pressure and at one point it appeared that the long period of relative industrial peace was about to be broken by a long and costly general strike in manufacturing industry—on a scale that had not been seen since the 1950s.

The strike did break out, but it was short-lived and appeared to have caused no lasting damage to the established Finnish practice of negotiated incomes policy.

The threat was serious enough, however, for Mr Mauno Koivisto, the President, to intervene with a warning to the employers and the unions of the long-term dangers the conflict threatened. The President claimed that a new situation was emerging in Finland. The policies of stability and consensus were fading away and new configurations were being sought in the labour market.

The President's warning had the desired effect and within days the leaders of SAK, the blue collar workers trade union confederation, and STK, the Finnish employers federation were gathered in the Government's banqueting hall together with Mr Kalevi Sorsa, the Prime Minister and Mr Esko Ollila, the Finance Minister, to celebrate a new tripartite wage settlement.

As has become customary in Finland the agreement covered not only wages and conditions but also included a package from the Government including measures for economic stimulation, tax reliefs and improved social benefits.

Finland's rather corporatist way of solving its economic problems often appears to leave the Finnish parliament, the Eduskunta, out on a rather lonely limb. But it should be said that it has helped to bring Finland substantial benefits in terms of industrial and social stability for more than a decade.

Although the country's economic prospects are now less favourable than they have been for several years this is only to say that Finnish growth rates are no longer out-pacing the rest of the OECD area.

In the period from 1982 to 1985 the growth in gross domestic product has been relatively constant at around 3 per cent a year and during the same years Finland has managed to keep unemployment well below general European levels. The jobless rate has risen only marginally from 5.9 per cent in 1982 to 6.3 per cent in 1985.

At the same time Finland has tried manfully to break out of its previous devaluation cycle by trying to bring its rate of inflation and cost increases down to the levels prevailing in competing countries. Inflation has declined sharply from 12 per cent in 1981 to 5.9 per cent in 1985.

The trend has continued downwards with a rate of 4.5 per cent in January and hopes of achieving a 1986 average increase of 3.25 per cent, with an even lower trend by the end of the year of 2.5 per cent in December.

During much of the recent period Finnish monetary and fiscal policies have been counter-cyclical, a stance that has met with much success; but this strategy is now coming under increasing pressure. The central bank has been forced to keep money market rates high—higher than would be justified in the interests of encouraging a faster tempo of investment—so as to counter speculation against the Finnish markka in the foreign exchange markets.

The central bank was forced to make a partial retreat in late May with a technical adjustment of the currency basket amounting to a mini-devaluation of about 2 per cent. It remains to be seen how well its nerve holds in coming months or whether political and market pressures for further adjustments of the currency become irresistible.

Meanwhile, it is argued by many in Helsinki that the model of social and political organisation built up since the mid-1960s will have to be reformed or modernised to respond to the demands of a changing society. Signs of the wish for change were clearly visible in this year's wage negotiations.

Worker at a paper mill. Finland is having to move faster to restructure its established industries

Traditionally it has been the blue-collar workers organisation SAK that has set the most important markers and has taken the lead from the unions' side in the national income policy negotiations. The strength of SAK is still considerable, but as the public and service sectors grow the white-collar workers in Finland—as elsewhere—are beginning to wield new influence.

It is no accident that the most difficult problems to emerge in the Finnish labour market in recent years have been among white-collar workers and in the public sector.

It was like waving a red rag at a bull in this year's wage negotiations when the employers suddenly announced a national agreement with the white-collar workers before any settlement had been reached with SAK.

The blue-collar workers felt that their position as the leaders of the Finnish labour movement was under dire threat and began to mobilise for a national strike. The gulf that opened up between SAK and the white-collar workers' organisations posed difficult problems for the Social Democrats, the leading party in the coalition government, as they appeared to have to choose between supporting one set of allies in the white-collar worker organisations or their traditional supporters in SAK.

In the event it was the employers who seemed to back down in the face of the threat of a prolonged strike in manufacturing industry. Fears of losing market shares in Western markets through protracted industrial conflict was clearly a strong motive to settle, but it also appeared that the employers had not quite thought through the full implications of their actions of allowing the white-collar and public-sector settlements to lead the wage round.

Fear of stepping on to new ground without thinking through the consequences had clearly worried President Koivisto, but at the same time it cannot be ignored that again this year it is in the public sector that the biggest labour problems are to be found.

By late May the Government was being forced to consider legislation to end the strike by more than 40.000 civil servants that had dragged on for more than a month and a half, hitting rail, air and postal services.

(The civil servants' strike even meant that the President had to leave the presidential palace because of the absence of key services.)

The final form of the spring national income settlement with a two-year wage deal and agreement on a cut in the working week to 37½ hours by 1990 has preserved the status quo for the moment, however, and there are still powerful forces in Finland that wish to defend the consensus system.

In a speech last year Mr Max Jakobson, formerly a leading Finnish diplomat and for nearly a decade until 1984 managing director of the Council of Economic Organisations in Finland, prophetically described the pressures for change building up in Finland and the possible dire consequences of moving from consensus to confrontation.

"Recent discussion has managed to produce the magic feat of making broad understanding seem like a national misfortune and strife and dissension the road to salvation. Criticism of current policy is not aimed at its results but at the procedures being followed.

"What could be the alternative to a policy which is aimed at strengthening our nation's international competitiveness, curbing inflation, and in this way improving employment and maintaining a high standard of living?

"An alternative is of course available: it is the alternative of a debt spiral, growing budget deficits, tax increases, sharpening political conflicts and industrial struggles."

Some of the seeds for sharpened conflict are perhaps already being sown unavoidably in factors such as the decline of Finland's Communist Party—which is almost bound to lead to an increased non-socialist majority in the Eduskunta, the Finnish parliament, at the next general election in March 1987—and the inevitable shifts in the relative strengths of the different trades union organisations.

Pressures for structural change are also emerging elsewhere in Finland and not least in industry and the financial sector, as the country seeks to keep abreast with changing international markets and to hold its own in the development of high technology products.

According to Mr Pentti Vartia, director of the Research Institute of the Finnish Economy: "The export potential of the country still consists largely of products for which, and is directed towards regions where, the markets are growing rather slowly in the long run. For example, the share of high-technology products, the markets for which are growing very rapidly, is small in Finnish exports.

"One reason for this is that as regards allocation of resources for investment in research and development, Finland has lagged behind the other Nordic countries."

While Finland is having to run quickly to try not to be isolated in the technological race, it is also having to move faster to re-structure existing industries and to build companies of sufficient scale to compete in international markets.

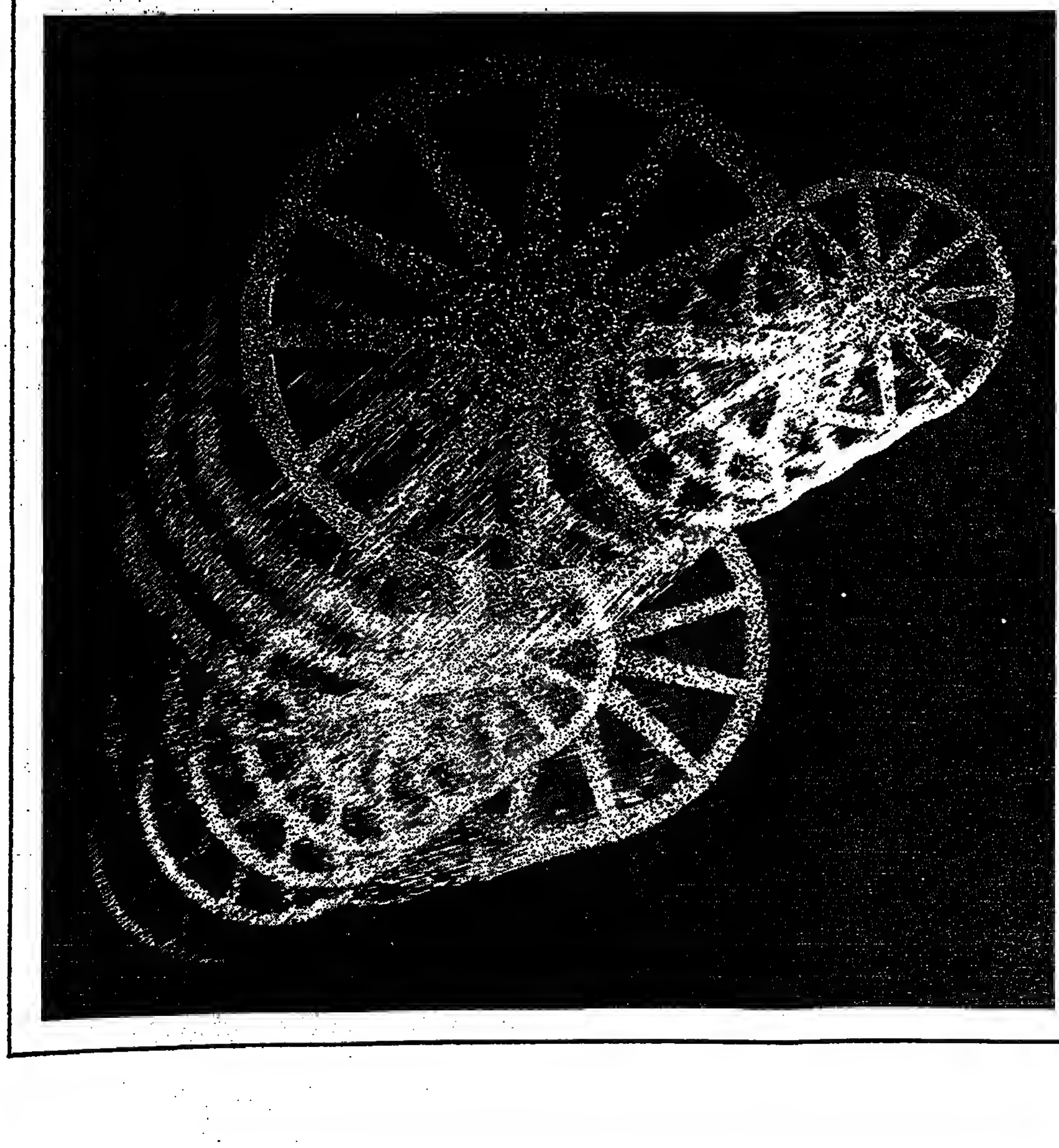
The process is now under way and the initial wave of direct foreign investments both in acquisitions and the establishment of new ventures abroad is now being combined with restructuring at home, with major mergers not least in the forest products and banking sectors.

The economy in figures

	1981	1982	1983	*1984	*1985
Gross Domestic Product—current market prices					
(markkas/bn)	218.5	245.2	274.4	308.3	337.6
(% change)†	13.5%	12.2%	11.9%	12.3%	9.5%
Gross Domestic Product—constant 1980 market prices					
(markkas/bn)	196.0	201.8	207.8	214.0	220.1
(% change)†	1.8%	3.0%	2.9%	3.0%	2.8%
Unemployment rate	5.1%	5.9%	6.1%	6.2%	6.3%
Rate of inflation (year-to-year change in consumer price index)	12.0%	9.3%	8.4%	7.1%	5.9%
Exports (merchandise)					
(markkas/bn)	60.3	63.0	69.7	80.9	84.0
(% change)†	14.2%	4.5%	10.6%	16.1%	3.9%
Volume Index (1980=100)	103	100	104	114	115
Imports (merchandise)					
(markkas/bn)	61.3	64.8	71.5	74.7	81.4
(% change)†	5.2%	5.7%	10.5%	4.4%	9.0%
Volume Index (1980=100)	94	95	98	98	104
Balance of Trade (merchandise) (markkas/m)	−961	−1,725	−1,836	+6,223	+2,616
Balance of payments—current account (markkas/m)	−1,730	−3,898	−5,227	−250	−4,000
Budget deficit before loan transactions (markkas/m)	2,866	−5,705	−8,501	−4,087	−3,611
Convertible foreign exchange reserves at end of period (markkas/m equiv.)	7,458	9,005	8,195	18,830	22,359

* Some figures preliminary. † Calculated before rounding.

Source. Finance Ministry.



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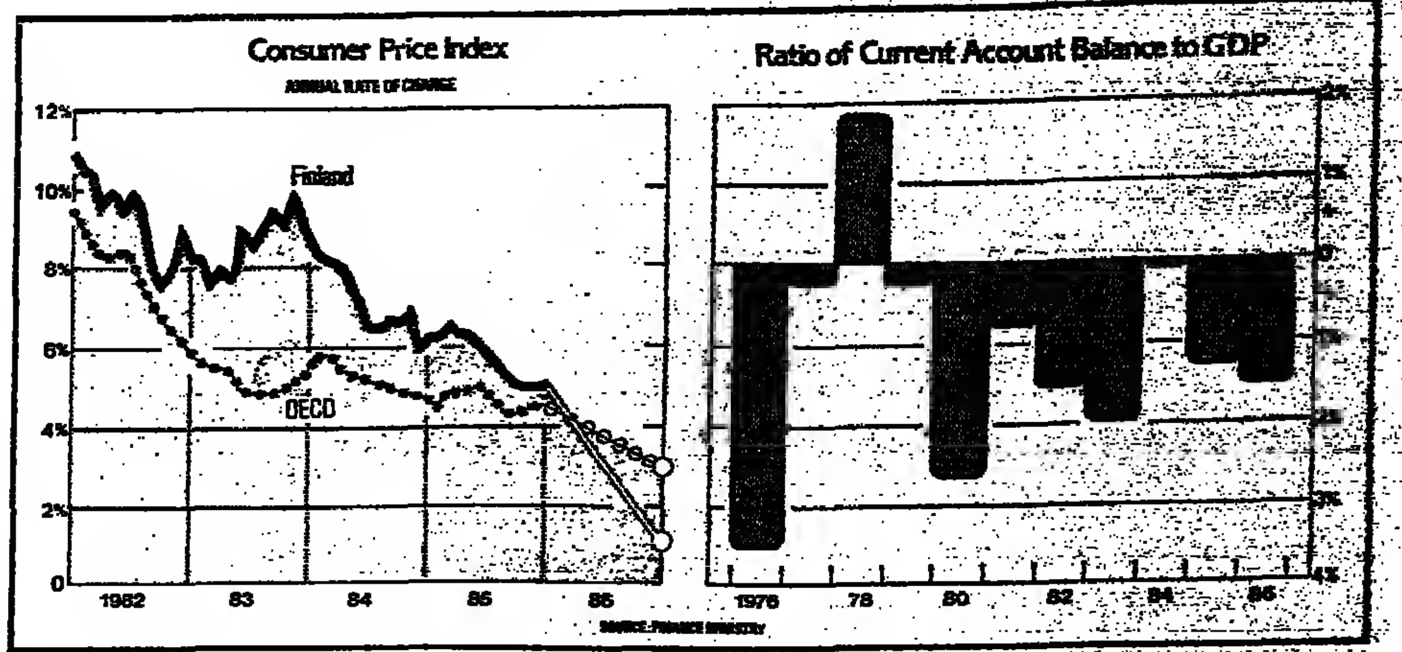


SOURCE: FINANCE MINISTRY

Setbacks for balanced growth

Economy

KEVIN DONE

SINCE THE mid-1970s the Finnish economy has expanded at a rate faster than the average for the industrial countries, and for a long time Finland seemed to have mastered the trick of achieving balanced growth while gradually reducing inflation and maintaining relatively low unemployment levels.

As last year's OECD report observed: "Looking back over the five years which have elapsed since the second oil shock, the improvement in Finland's economic performance compered with the aftermath of the 1973 shock is striking. The result is all the more impressive when viewed in relation to the OECD as a whole or to the rest of Europe."

Suddenly, however, the outlook no longer appears to be quite so rosy. The Finnish economy suffered a decided turn for the worse towards the end of 1985. The rate of growth decelerated considerably, exports suffered a setback and unemployment appeared to be on the increase.

According to one senior official of the Finnish central bank: "This is a real test for Finnish economic policy, and the test is just beginning when we come into difficulties."

The economy, which had been expanding at around 4 per cent in the first half of 1985, slowed to only 2 per cent in the second half. On the brighter side, however, inflation was falling and approaching average levels for the rest of the OECD.

The precipitous decline in oil prices, so welcome in most industrial countries poses in Finland a major threat to the level of the country's vital bilateral trade with the Soviet Union. This trade has served as an important stabilising factor during the first half of the 1980s, a period when Finland has been better able to cope with the second oil price shock and has out-performed the rest of Europe.

Trade with the Soviet Union—it accounts for 20 to 25 per cent of Finnish exports and Finland has become the Soviet Union's second most important trading partner after West Germany—has to balance over the medium term. However, Finland's imports from the Soviet Union are dominated to an overwhelming degree by energy, chiefly crude oil.

During all the years of rising oil prices and then a rising US dollar, Finland has been able to rapidly increase the volume of its exports to the East, but now suddenly that prop appears to have been kicked away. According to the Finance Ministry, exports to the Soviet Union could fall by 5 per cent in volume this year and by fully 20 per cent in 1987.

The weakening of the US dollar has served to exacerbate the oil price decline and the problems of trade with the East, but it has also undermined the competitiveness and profitability of industries exporting to the West, such as the pulp and paper sector, which still accounts for close to 40 per cent of Finland's export revenues.

The forest industry has been herd hit too by high labour costs end high real interest rates. The high cost of capital is seen by the Finance Ministry as one reason for the fact that investments generally did not expand as expected last year.

Instead of the 3.5 per cent growth in gross domestic product expected in 1985, Finland had to make do with an estimated economic growth of 2.8 per cent.

For 1986, the latest estimate is a GDP growth of about 2 per cent helped by the package of ecooomic stimulation measures agreed by the government as its part in the income policy settlement reached in March. Such a growth rate would be considered respectable in many parts of Europe, but in Finland it could be the lowest rate of economic expansion for nearly a decade.

The 1986 wage round has proved to be e fractious experience and Finland went to the brink of industrial conflict on a scale the country has not experienced since the 1950s. At the last moment the unions and employers pulled back from the edge, however, and the tradition of consensus rather than confrontation which has been established gradually since the 1960s survived.

Despite the national framework agreements reached during March between the employers and the central trades union confederations, trouble on the labour front has continued to rumble on in a limited way during much of the spring and early summer, with a prolonged strike by 42,000 civil servants, and strikes by 10,000 electricians—with a lock-out of a further 7,000-10,000 construction workers, and a smaller number of power station workers.

Briefly, in early March Finland was plunged into a far more worrying general strike which threatened to close down virtually the whole of manufacturing industry.

The prospect of prolonged labour unrest began to fuel speculation about an imminent Finnish devaluation, but a settlement was reached before the conflict could inflict any real damage (otherwise a tight monetary policy and high real interest rates have kept speculation against the currency at bay).

The labour market agreement in mid-March removed e major element of uncertainty that had been clouding prospects for Finland's economic development during the next two years, and the relatively moderate wage settlement allowed the government to step in with a package of measures to support growth in the short term.

The major sticking point in the negotiations between SAK, the blue collar workers' central organisation of trades unions, traditionally the most powerful trade union organisation in Finland, and STK, the Finnish employers' association, was the question of shorter working hours.

With a sharply-falling inflation rate, SAK accepted that there was only a limited margin for nominal wage increases this year and decided to concentrate instead on qualitative issues by pushing the case for a 35-hour week. The employers strongly resisted the demands for a cut in working hours, unless such a move was reciprocated by the trades unions agreeing to greater flexibility.

To the unions "flexibility" meant giving the employers the right to insist on longer working hours at times of peak demand and shorter hours during slack periods. "That would have meant scrapping all existing working time arrangements and all the legal arrangements we have," says one senior SAK official and was clearly anathema to the unions.

In the face of a general strike in the private sector the employers backed down and finally granted further cuts in hours without any guarantee from the unions of future movement on the flexibility issue. The agreement finally reached in March will run for two years and should guarantee peace on the working hours issue at least until 1990.

The total reduction allowed will be equivalent to 8.5 working days per year by 1990. As a result, the 40-hour week for Finland's industrial workers will have been reduced to a 37.5 hour week by the end of the decade. The reductions will be made in stages: 16 hours per year in 1987, 1988 and 1989 and 20 hours in 1990.

Together with the earlier reductions agreed for 1985 and 1986 in the previous two-year national pay deal struck in 1984, Finnish workers have managed to win a cut in working times of 100 hours per year over a period of five years.

The employers have also agreed to establish a special working group to study what progress is made on realising claims for a 35-hour week in other countries.

The question that remains to be answered is how costly the whole package will prove to be for Finnish industry and how far it will undermine Finnish competitiveness in international markets.

The basic agreement allows for a 2.4 per cent wage and salary increase in 1986 and 2.5 per cent in 1987, but the employers claim that one carry-over from previous agreements and wage drift are included, gross earnings for industrial workers will rise by 6.1 per cent in 1986 and 5.7 per cent in 1987.

The Finnish employers' confederation estimates that employers' labour costs will rise by as much as 7.9 per cent this year, once increased social costs and this year's reduction of working hours are included.

At the same time, however, productivity is still rising fast in Finland thanks to very high investment levels in recent years, and a productivity gain of about 4 per cent is forecast for 1986. Despite this compensation, the employers expect Finland's unit labour costs relative to the OECD to increase by as much as 2.5 per cent as a result of the national pay deal.

Such a development could easily have accelerated the loss of foreign market shares, and the government was forced to take steps in its part of the national income policy settlement to ease the problem by reducing industry's costs burden.

As part of general measures to help export industries it is changing the method of energy taxation to a value added system, a step that will cut industry costs by about FMk 1bn. The government estimates the move will have an effect equivalent to a devaluation of about 4 per cent.

To ease the passage of the incomes settlement the Finnish government has come up with stimulatory measures worth about FMk 2.4bn—much of which will take effect in 1987—including the energy tax reform, FMk 700m spending on public works projects and house building. Income tax cuts of FMk 1.5bn and a freeing of FMk 4bn of investment reserves placed by companies in blocked accounts at the central bank from 1984 earnings.

Finland has managed to keep e prudent control of state finances—in marked contrast to some of its Nordic neighbours—and at around 14 per cent of GDP, Finnish state debt is probably the lowest in the whole of the OECD.

The reflation policies have to be handled with caution, however, because of worries about a negative development in the current account which showed a deficit last year of FMk 4bn instead of being in balance as earlier expected. A further deficit of FMk 4-5bn is expected this year as a result of falling export prices.

On the positive side inflation, which averaged some 5.9 per cent in 1985 is expected to fall to about 3.5 per cent in 1986 with a year-on-year increase by December of only 2.5 per cent. That should ensure an increase in real wages in Finland this year of at least 3 per cent.

Banks hold the power

Business structure

HILARY BARNES

THREE THINGS about Finland's business structure are particularly striking: the role played, for such a small country, by relatively large companies (including the state-owned companies); the extraordinarily powerful position held by the two biggest commercial banks; and the rapid internationalisation of Finnish industry over the past few years.

To take the third point first, the trend towards internationalisation came later to Finnish industry than to the other Nordic countries for the good reason that Finland only industrialised later, after the second world war.

In the past few years the Finnish companies have been making up for lost time. They have been especially active in investing in Sweden, with Finnish direct investment in Sweden exceeding investment in the other direction for many years now.

Significant examples over the past year are metal producer Outukumpu's acquisition of the Gränges copper-smelting facilities from Electrolux; chemical company Kemira's acquisition of Esso ammonia plant in Holland and a titanium oxide plant from American Cyanamid in Savannah, Georgia; and Nokia's acquisition of Mohawk Data Sciences' subsidiaries in six European countries.

Finnish manufacturing is dominated by two sectors: the forest industries, which account for about 38 per cent of export earnings, 20 per cent of value added and 14 per cent of the labour force, and the metal and engineering industries, which account for about 36 per cent of exports, 30 per cent of value added and 35 per cent of the labour force.

The structure is changing gradually, as the predominance of the forest industries is reduced by the faster growth of other sectors, a trend which is likely to continue.

A handful of very large companies—Wärtsilä, Nokia, Kone, Tampella, Kymi-Strömberg, United Paper, Ahlström, to name a few private companies, and Valmet, Enso-Gutzeit, Outukumpu, Neste, Kemira and Rautaruukki among the state-owned group—loom very large in the overall picture of Finnish industry. There seem to be relatively few medium-sized companies compared with other smaller European countries, but a very large number of small ones.

Among the reasons for the existence of the large companies is, of course, the importance of economies of scale in the capital-intensive forest and metal-processing industries. Another factor was the forced development of the shipbuilding and engineering industries in the first post-war decades.

Finland is not only a free-enterprise economy, but its constitution, which requires laws affecting property rights to be passed through the parliament with a five-sixths majority, was deliberately designed in 1919 to keep it that way. It is slightly surprising, therefore, to learn how important is the role of the state-owned corporations.

The state-owned companies, which include Finnair, the airline, Imatran Voima, the power utility, and Alko, the state monopoly alcohol business, as well as the industrial companies, account for about a quarter of the value added and 14 per cent of the labour force.

They were not formed, however, in order to nationalise particular industries (Valmet competes with Wärtsilä in shipbuilding, Imatran Voima has a private counterpart), but to ensure the supply of vital raw materials (Kemira, founded in the 1920s, to provide a supply of sulphuric acid) or develop resources for which Finnish private capital was insufficient (the Rautaruukki steelworks).

The companies operate in principle, and most of the time in practice, as private, profit-making corporations and are held at arm's length from the government. From time to time, however, the arm has a way of shortening.

The arm's length relationship tends to break down because jobs on the supervisory boards of the state companies are among the plum rewards for prominent politicians. Prime Minister Sorsa is currently chairman of Finnair; the Minister for Foreign Trade, Jermu Laine, is chairman of Valmet; the secretary of the Social Democratic Party, Erkki Liikanen, is chairman of Outukumpu.

Every now and then the distinction between the politician's vote-maximising role and the chairman's duty to profit-maximise becomes blurred, and the political chairmen spend more time lobbying the government for money to maintain non-profitable operations than they do in ensuring that the company is running efficiently.

Following a couple of particularly noticeable cases of lobby activities by corporate chairmen in the early 1980s, a statement of principles for the state-owned companies was adopted in 1983, under the inspiration of one of the outstanding personalities in Finnish public life, Mr Bror Wahlroos, who is permanent head of the Ministry of Trade and Industry.

The principles emphasised the duty of companies to make enough money to pay a respectable dividend to the state, as well as asserting the primacy of corporate efficiency as the main task of the chairmen of the supervisory board.

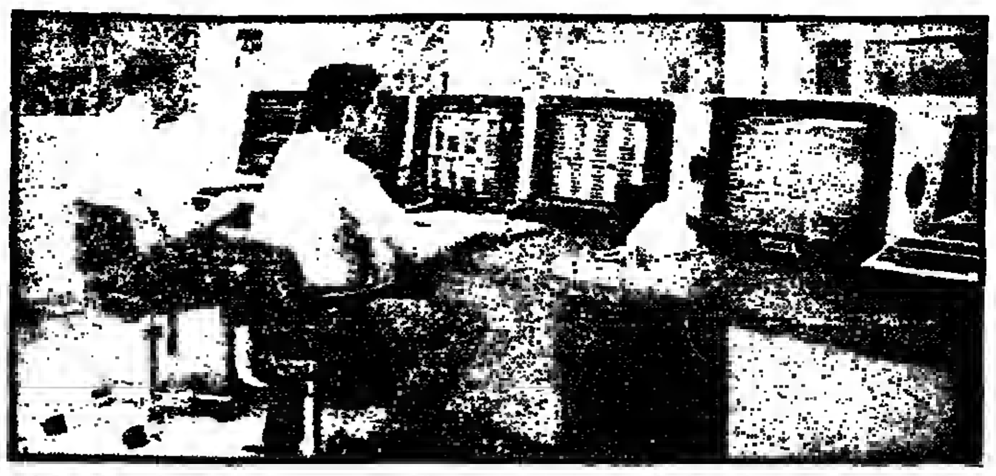
Ask Finns where the real power lies, however, and most of them say without hesitation: with the banks.

The power of the banks arises from two basic factors. First, banks are permitted to own up to 20 per cent of the equity in other companies. Second, the tax system has discriminated heavily in favour of savings in the form of bank deposit accounts and against the development of the equity market, which means that the banks are a main source of capital.

Two banks dominate Finnish banking, Union Bank and Kansallis-Osake-Pankki. Each has substantial equity holdings in the largest privately-owned corporations.

Very little happens in Finnish business in which the two top bankers, KOP's Jaakko Lassila and Union Bank's Mika Tiivola, do not have a crucial say, and the banks will often initiate rescues, management shake-outs, mergers and even the structural reorganisation of large parts of industry.

Everywhere one goes in Helsinki this spring, there are posters of Lassila (assuring a housewife that the bank can solve all her problems) and Tiivola (telling a bank assistant how wonderful it is that Union Bank has swallowed up the Bank of Helsinki) beaming down like benevolent uncles. But no Finn is fooled by the sweet smiles; they know that probably no two other men in Finland carry such clout.



Control room in a paper mill. Export industries such as pulp and paper are being helped by government measures to ease energy taxation

Need to adjust exports

Trade

HILARY BARNES

FINLAND IS one of the few non-oil-producing countries which will not immediately benefit from falling oil prices. This reflects the fact that it imports most of its energy products from the Soviet Union, with which trade is conducted bilaterally and on the principle that it must balance.

Falling oil prices therefore mean that Finland's exports to the Soviet Union—all other things being equal—will fall.

These prospects face Finnish industry with the need to make a rapid readjustment in their export priorities if the total level of their exports is not to stagnate or even decline over the next couple of years, particularly for those sectors most dependent on the Soviet market, such as machinery and clothing producers.

In 1973, when the first world oil shock came, the Soviet Union accounted for about 12 per cent of Finland's foreign trade. The share increased rapidly over the next few years as Finland increased its exports to the Soviet Union to pay for the oil and oil products which it imports from the Russians.

In 1983 the share of the Soviet Union in Finland's foreign trade peaked at 25-26 per cent. Last year it was down to 21 per cent, and is expected to fall sharply in 1987 (there will probably be some decline this year as well, but there is a roubles 300m clearing account—or credit—which will act as a buffer for Finnish exports this year).

The structure of Finland's trade with the Soviet Union has not changed much over the years. About 90 per cent of Finland's imports from the Soviet Union consist of raw materials and over 80 per cent of crude oil and oil products.

On the export side, almost half the total consists of the products of the machinery and transport equipment industry, with exports of ships, worth FM 4.1bn in 1985, playing a major part; paper and board, FM 3.2bn; miscellaneous consumer goods, FM 2.6bn; and chemicals, FM 1.1bn, are the other major export items.

In the past, large construction projects on the Soviet side of the border, carried out by Finnish companies and Finnish labour, were important, but with completion of the giant Kostamus iron ore mining town last year, the importance of the so-called project exports has diminished.

The 1986 trade protocol with the Soviet Union put trade at just over FM 19bn each way and was based on a dollar price of oil of $28 per barrel. Since then Neste, the Finnish oil refiner, has negotiated a price of $16-17. In addition, the value of the rouble has depreciated (as the dollar has a heavy weighting in the basket against which the rouble's value is defined). The value of the exports which Finland needs to make to pay for its imports from the Soviet Union has therefore been almost halved since the end of last year.

However, the Finns do not believe the reduction will be as sharp as the bare figures might suggest. A finance Ministry official said he thought exports to the Soviet Union would fall by about 20 per cent in 1987.

"The message we have been getting from the Russians in the past few months is that there is no cause for alarm," says an official at the Finnish Ministry of Foreign Affairs. According to the official, there would be some increase in imports (petrochemicals, raw materials for the chemical industry and metals are on Finland's list of possible items); exports would be slightly reduced and there would be flexible use of the clearing account to smooth out Finland's trade surplus over an adjustment period.

Other possible sources of increased imports are natural gas, of which Finland already imports about 1bn cubic metres. Imports could be increased if the Helsinki city council decides in favour of gas for home heating, which it is expected to do. A Third Soviet nuclear power reactor to join the two already being operated by the state power utility Imatran Voima is another possibility.

The forest industries are not so seriously affected by this process of readjustment. Only about 12 per cent of their total exports of FM 29.bn last year went to the Soviet Union. But almost half the clothing and footwear exports, totalling FM 4.2bn, went there, as did 40 per cent of the machinery sector's exports, worth FM 21.1bn.

It will not be easy for either of them, geared as they have been for the past decade to expansion in exports to the Soviet Union, to make the sudden switch towards Western markets.

Significant time of change

Politics

KEVIN DONE

ON THE surface Finnish politics is enjoying a period of unparallelled stability. The present four-party coalition government led by Mr Kalevi Sorsa, the leader of the Social Democrats, appears set to establish a post-war record by serving the full four-year term.

Given the earlier turbulence of Finnish politics—the average life of a Finnish government is still little more than a year—the coalition of Social Democrats, the Centre Party, the Swedish Peoples' Party and the Rural Party, which was formed after several weeks of intense negotiations in the wake of the March 1983 election, has shown a surprising resilience.

Even when the faces in Finnish governments have changed rapidly, the composition of the parties in power has been more consistent, however. Finland has actually been ruled by coalitions formed around the partnership of the Social Democratic and Centre Parties for most of the period since 1937.

Despite its present apparent tranquility, the Finnish political scene is currently going through a period of significant structural change, however, as a result of the decline and interminable internal wranglings of the Communist party. For all practical purposes the Finnish Communist Party has now split into two separate entities.

The rift is nothing new. The Finnish Communists have been speaking with two voices for nearly two decades. The split between the majority or Euro-Communist faction and the minority, Stalinist wing came properly into the open after the Soviet invasion of Czechoslovakia in 1968, but it has only been during the past two years that it has become clear that the gulf between the two factions could no longer be bridged. Moscow has fought resolutely to keep the Finnish Communist Party together, but finally appears to be accepting the inevitable break-up.

In terms of Finnish foreign policy the split of the Communist Party has had little significance, and both the social Democrats and the Centre Party have long since established their own satisfactory relations with Moscow.

Domestically, however, it is a different story. The decline of the Communists means that at next year's general election in March, Finnish voters are likely to elect the biggest non-socialist majority to the Eduskunta, the Finnish Parliament, that the country has seen.

The scale of the demise of the Communists can be judged from the fact that in 1958 they emerged briefly as the single largest party in the Eduskunta, with 50 seats. By the time of the last election in 1983 the People's Democratic League, the umbrella organisation for the Communists, had only 27 seats, and now they stand to lose between a third and a half of these seats at the next election.

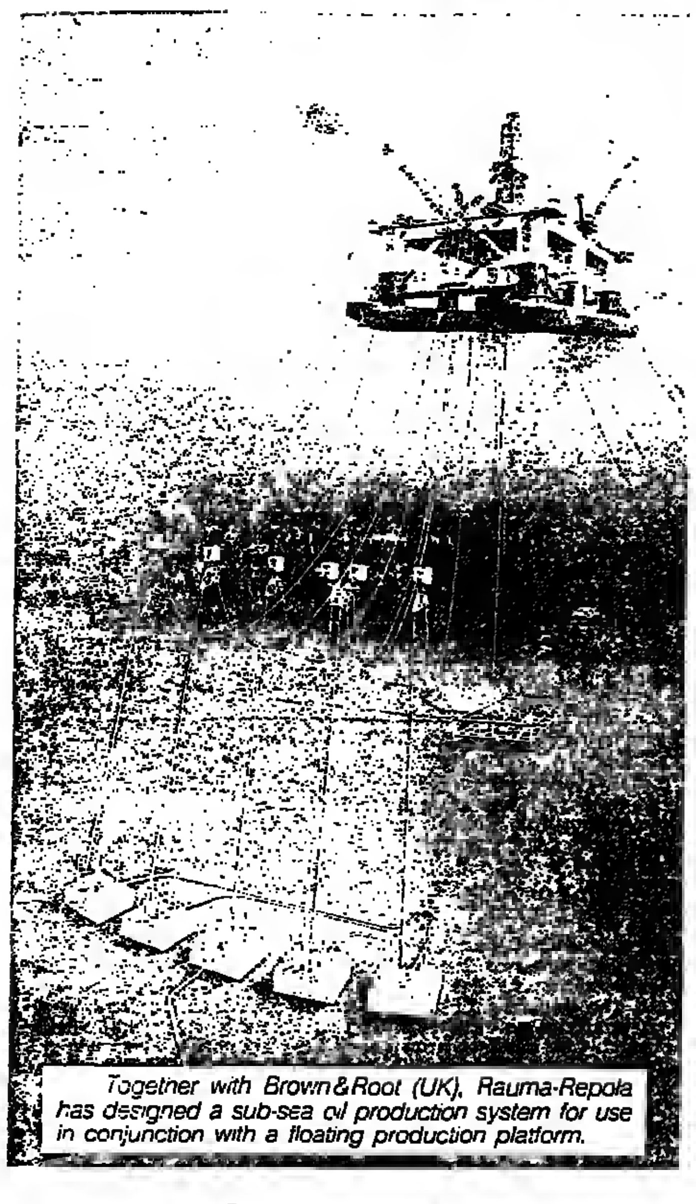
The most recent opinion polls do not suggest that disillusioned Communist voters are shifting their support to the Social Democrats, however, who appear to be doing little better than holding their own.

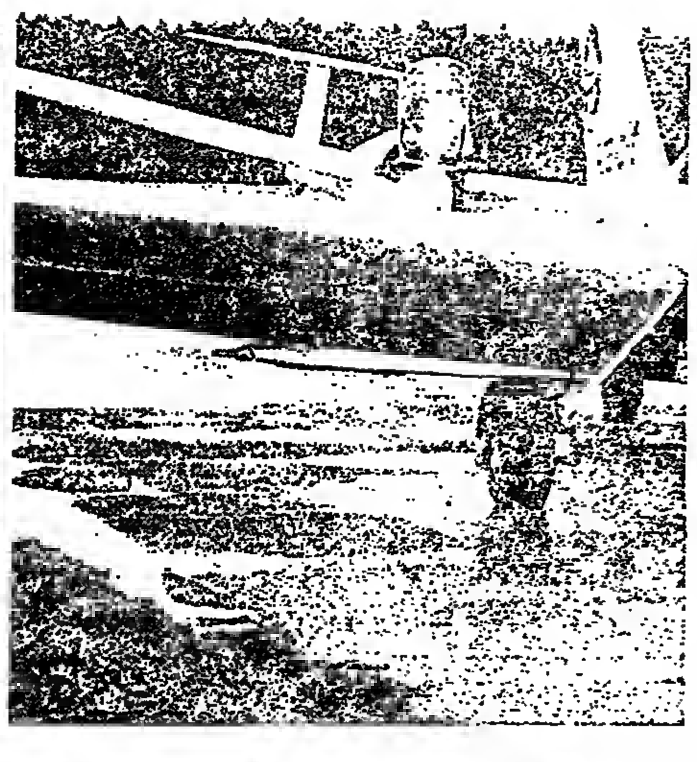
Imports and exports with the Soviet Union

(FM m)

	Imports	Exports
Total	17,100	18,804
Food		962
Non-edible raw materials	989	477
Energy	14,045	
of which oil, oil products	12,203	
natural gas	711	
Chemicals	711	1,096
Semi-finished goods	451	4,494
of which paper and board		3,245
Machinery	701	8,284
Ships		4,071
Miscellaneous finished goods		2,590
Clothing, footwear		1,938
Finlands' total imports/exports, 1985	81,406	84,022

Source: Bureau of Statistics monthly bulletin of foreign trade





Curb of strong role sought

The banks

OLLI VIRTANEN

THE POWER of the banks has become an increasingly popular topic in Finland—much to the embarrassment of the banks themselves. Politicians, taking their cue from some recent events — and the forthcoming parliamentary elections—almost unanimously wish to reduce the banks' role in the Finnish economy.

The highly-concentrated banking structure has resulted in a fair share of power accumulating to the banks. This is accentuated by the "house bank" tradition which means that most of the large companies belong to one bank's financial family. This structure still exists although more companies have begun to shop around for credit.

Since last autumn the banks have raised their profile in two ways, dealing on the stock market and restructuring companies in their sphere of influence.

Union Bank of Finland sparked off the trend in public by winning the contest over Bank of Helsinki last October. The losing party, the savings bank group Skopbank, also claimed to be a winner since it made a profit of about FM 40m ($8m) on the BoH shares it sold to UBF.

And Skopbank subsequently went on to buy and sell shares for a profit on the stock exchange—very unusual conduct by Finnish banking traditions.

Skopbank's dealings were highly publicised and the bank itself did little to hide its activities. The bank's chief stock trader, Mr Juhani Riikonen, has dealt mainly with shares of companies whose book values, thanks to the vast property holdings, well exceed their market capitalisation.

Skopbank's net income from dealing in securities was about FM 250m ($50m) last year which far exceeded profits from its other banking activities.

When UBF and its main rival Kansallis-Osake-Pankki at the same time were busy trying to restructure forest products industries in their own "families," the banks' role in Finnish society became an obvious subject of public debate. Leaders of three large Finnish parties demanded that the banks' ownership in any company should be severely restricted from the present 20 per cent of the equity.

Insurance companies have also become a target of a similar debate. They are allowed to own up to 50 per cent of equity in any company. A governmental commission recently recommended that the figure should be reduced to 25 per cent.

The banks defend their activities by claiming that they do not want to maximise their holdings but they have to look after their present interests. Many of the current targets for reorganisation have wound up in their lap either due to their accumulated debts or as a last resort to salvage them.

Mr Mika Tiivola, chairman and chief executive of UBF, recently put the debate into perspective by pointing out that the combined holdings of all banks in Finnish companies equal the value of investment in one single paper machine.

Several factors have made the banks look more after their interests. While last year was one of the best ever for all banks in Finland, competition among them is increasing rapidly.

Inflation has come down to close to 1 per cent on a 12-month period and as the base rate still hovers at 8 per cent, banks are soon likely to find themselves with too much money chasing too few borrowers.

So, bank competition in Finland is coming to look like free for all. Mr Erkki Karmila, Director for Foreign Operations at KOP, says that the traditional roles of commercial banks, savings banks and co-operative banks are becoming more confused.

Savings banks and co-operative banks (under the umbrella of Okobank) are now increasingly wooing corporate customers while the commercial banks try to penetrate the farm belt.

Meanwhile Postipankki, the state post office bank, has come to look like any commercial bank. Its role is a staple topic in Finland. According to Mr Jaakko Lassila, Chief General Manager and CEO of KOP, Postipankki receives Fmk 200m worth of unfair allowances just because it is nominally a government office.

Postipankki itself is not opposed to the idea of becoming a limited company of which the state would own a majority.

Bank of Finland has made a number of moves to liberalise Finland's financial markets lately. The banks have now much more leeway in determing their interest rate policies as various quotas and deposit requirements, which very much controlled the bank's lending activities, have been abolished by the central bank.

As the instrument for controlling money supply was done away with, Bank of Finland adopted a more active interest rate policy by establishing call money rate to govern the gray money market in Finland.

This has been the main instrument of the central bank to control the money markets. At the beginning of this year the bank gave even more room for market forces by splitting the call money rate into two: one for deposits and one for borrowing from the central bank. This was aimed to create more active inter-bank markets.

In January this year the bank also took a number of steps to liberalise Finland's foreign exchange regulations. All transactions concerning foreign trade are now unregulated whereas long-term borrowing and investments abroad still require the central bank's permission. Export of capital is now free also for individuals, although quotas still exist.

But despite the increased liberalisation and competition, two unique holds in the system remain: the interest rate cartel and the tax-free deposits. The two are closely linked and a recently-passed law renewed the features for another three years.

Although many observers point out that new financing instruments created by the banks and other institutions have reduced the importance of the cartel, most people would like to see the system changed.

Commercial banks favour easing the cartel but savings banks and co-operative banks, which fear that they may become uncompetitive in the rural areas, oppose this corner. Bank of Finland would also like to see freer competition on interest rates. But none of the banks would like to lose the tax-free deposit tradition, which assures a steady stream of funds for them.

One idea to solve the problem is to set a ceiling for tax-free interest rate and if a bank chooses to pay more the difference would be taxable. This idea is favoured by the commercial banks and Mr Rolf Kullberg govenor of Bank of Finland, whereas other banking groups still feel apprehensive about it.

PROFILE: MIKA TIIVOLA OF UNION BANK

Stoic with a clear vision

IN MANY WAYS Mika Tiivola has been a captain of the Finnish economy in the same way he was a captain in the Finnish Army during the Second World War. Always stoic and decisive, he maintains a clear vision on where to lead his troops.

As chairman of Union Bank of Finland, the country's leading bank, he has made a number of manoeuvres that gained more foothold for the bank and at the same time left his seemingly overwhelming rival, Kansallis-Osake-Pankki (KOP), play second fiddle.

Tiivola has always been a universally accepted role model of "a traditional banker." He joined Union Bank as member of the board 23 years ago, became chief general manager in 1966 and was elevated to his present position four years later.

The top job at one of the two biggest banks in Finland in itself brought Tiivola a lot of clout. But in additional to this the structure of Finnish economy, which largely revolves around commercial banks, demanded that he also assume chairmanships and memberships on dozens of boards.

For example, Tiivola is currently chairman of Finnish Foreign Trade Association, Council of Economic Organisations, the Helsinki Stock Exchange and chairman of the board of about half a dozen large Finnish companies.

But despite the social status he always seemed to lack the charisma that would appeal to the general public. He is well respected but distant to the customers at the till.

Union Bank has always competed neck to neck with KOP. In the 1970s Tiivola enjoyed the position of being the main spokesman of Finnish banking much due to the low profile assumed by KOP. But when the highly-charismatic Jaakko Lassila became chief general manager and chief executive of KOP in 1982, he overshadowed Tiivola in the publicity game.

Lassila's folksy style left Union Bank personnel "in a state of shock," as one ranking UBF official puts it, and Tiivola was clearly embarrassed by any comparison between personalities, or the banks' activities in general.

Today he is not embarrassed at all.

On October 31 last year—his 63rd birthday—Tiivola emerged as the winner of the battle for Bank of Helsinki. The takeover contest against another Finnish banking group, Skupbank, was swift and Union Bank gained much more than just the undisputed Number One Bank Status. It gave Tiivola and his team new confidence.

First, Tiivola orchestrated the merger of Kymi-Strömberg, the forest industry and power technology group, and Kaukas, the pulp and paper group. Soon after that, Kaukas bought a controlling share of the forest industry group Schauman, another moved designed by Tiivola.

A debate on Tiivola's eventual successor has been brewing in Finland for about a year and the bank even nominated a team of three to search for a candidate who would "look like Tiivola." In March, the team reported that they had found one: Tiivola himself.

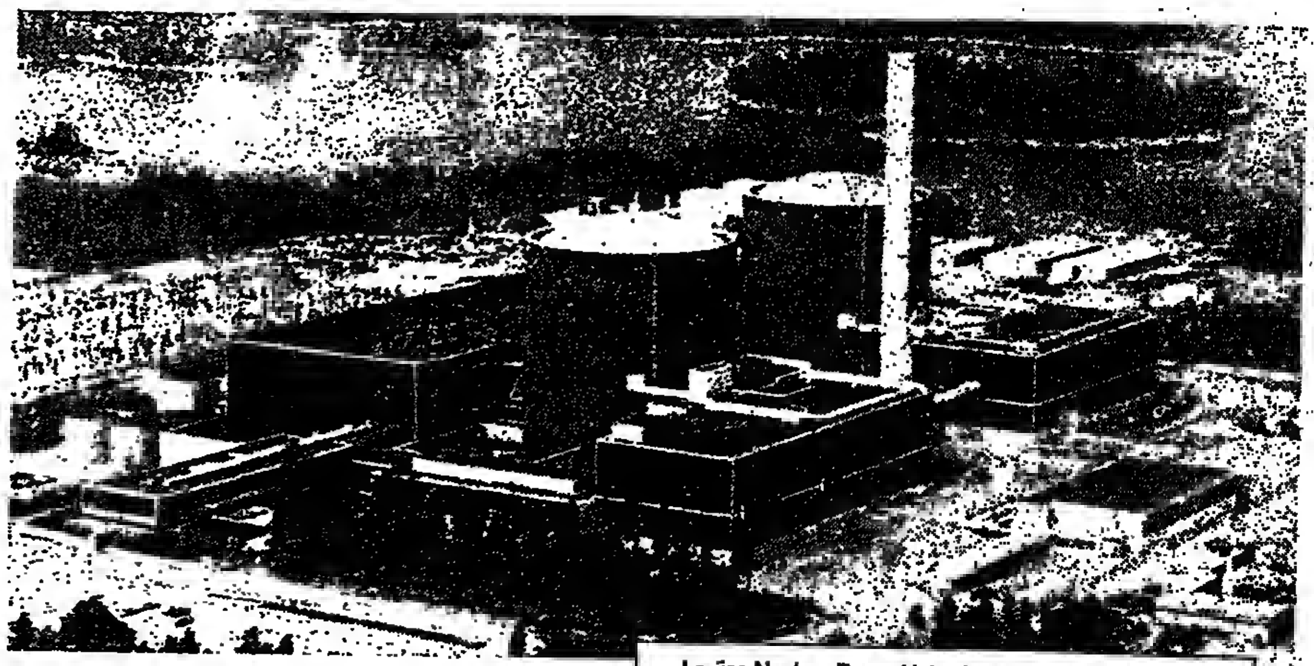
So the current captain will continue to navigate the bank till October 1989.

In theory, Tiivola could retire any time now but, as he says, there is still a lot of work to be finished. This is widely interpreted that he will continue to reorganise companies in the Union Bank's sphere of influence. Next in the line is the metal and engineering industry.

His health does not give any cause for an early retirement: an avid skier and skater, Tiivola has always loved sport. Today he enjoys rowing on the lakes, a more restful pastime compared to his youthful days when he drove in the Monte Carlo Rally.

Olli Virtanen

Mika Tiivola: traditional banker



Highlights of 1985 Millions of FIM	
Turnover	4384
Gross margin	2413
Operating margin	1677
Depreciation	573
Profit	327
Investments	1233
Financial assets	974
Inventories	1440
Fixed assets	4825
Liabilities	4638
Shareholders' equity	1126
Personnel	4513

Big shift by industry

High technology

DAVID BROWN

"INTERNATIONAL contacts are a lifeline for a highly-industrialised country relying on exports," says Mr Julhani Kuusi, director-general of the *Finnish* Technology Development Centre (Tekes).

By international standards, Finland's export companies are relatively small. The burden of research and development spending necessary to remain competitive on the world market is thus proportionally higher.

"Our resources are limited, but our need to utilise them to the full is all the greater," says the Tekes director.

Tekes was created by the Finnish government to help plan, co-ordinate and finance research and development programmes as part of a broader target to increase overall R & D spending from the present 1.4 per cent to 2 per cent of GNP by 1990.

The forthcoming OECD Review of National Science *Policies* cites Finland for establishing "an impressive collection of science and technology programmes." It continues: "The vigour of the national research and development programme is impressive," although it expresses concern that better co-ordination is needed in assigning policy-making responsibility between the various bureaux involved.

Currently, the total public and private sector R & D budget is FM 3bn (1985), of which 40 per cent is government-financed.

This heavy emphasis on high technology development comes in the midst of a fundamental shift in the make-up of Finnish industry towards more technology-intensive sectors. While wood-based products made up fully 85 per cent of exports in 1960, this figure has declined to only 35 per cent today.

Among the areas where Tekes has been active is in the development of advanced silicon and gallium arsenide technology, where it has financed work at the technical Research Centre aimed at spurring the domestic semiconductor industry.

The Technical Research Centre works with such private companies as the Lojha electronics group (on gallium arsenide thin film technology) and the Vaisala instruments company (on advanced silicon sensors).

Another area where Tekes has been active is in recruiting Finnish companies for participation in the European-inspired Eureka programme. "Eureka will expand the contact surface of Finland's high-tech industry and expand our markets in Europe," Mr Kuusi says.

Vaisala is a good case in point of the challenge faced by Finnish companies. Competing on an international market — with more than 90 per cent of its sales being generated outside Finland — it has been forced to spend an average 20 per cent of sales on R&D over the past 20 years.

"This is about double the average for the electronics industry as a whole," says Mr Jrjo Toivola, the managing director. "But being a small firm, we've had to invest heavily in order to grow in a world market."

Mr Toivola was among the Finnish businessmen most active in the push for participation in the Eureka project, arguing that "only 0.3 per cent of the world's R&D spending is carried out in Finland and we need to have greater access to the remaining 99.7 per cent."

Vaisala has benefited directly from participation in several Eureka-inspired programmes, including Eurotrak (a project to study and measure the problems of acid rain and air pollution in Europe).

"Most probably we will see a monitoring network after six to eight years, to which Vaisala will hopefully deliver a large part of the equipment."

As part of the project research, Vaisala is working together with the UK-based Cambridge Technology in the development of so-called biosensors which combine biotechnology with electronics to produce sensors which can be used for real-time monitoring of pollutants.

"We are a specialist in microelectronics, but we don't have biotechnology in our tool-box," Mr Taviola says. "The Eureka project is supposed to act as a sort of 'marriage bureau' to help join such complementary knowledge."

The high cost of labour and raw materials in Finland, combined with a high level of education and willingness to adapt to new technologies led to the early development of devices such as banking automation systems and industrial process control equipment.

The country's relatively small size has also been an advantage in allowing close ties to be formed between universities and research institutes on the one hand, and industry on the other.

However, it also suffers from a *relative shortage of qualified* engineers, and the OECD report stresses that "a reorganisation of post-graduate studies is a crucial condition for future scientific and technological development in Finland."

Eureka-type programmes have tended to benefit smaller companies with limited international networks. Multinationals like the large Nokia group have independently turned abroad to fill their need for human resources.

"If you are in the systems integrator end of the computer business as we are, you must operate with a very skilled organisation of software and application-oriented engineers," says Mr Timo Koskki, President of Nokim's Electronics Division.

Many of these engineers have been recruited outside and work outside Finland. Nokia has tapped the UK by establishing a mobile telephony development group at the Oxford Science Park and in the US where it has an engineering development arm for pulp and paper equipment.

Nokia is also involved, however, in the Eureka East project which aims to improve the effectiveness of software engineers. "Trying to develop computer programmes to facilitate professional programming obviously cuts down costs and gets more efficiency out of the human resources we have here," Mr Koskki says.

Finland's high technology producers have also been forced to seek specialised market niches, rather than attempting to compete head-on with industry giants in such areas as information systems.

"By targeting areas like systems integration and supplying certain specialised professional market sectors like banks and retail automation, we have been able to grow quite steadily," Mr Koskki explains.

Lauri Koukkanen is Europe's largest producer of duplex filters, which are used in mobile telephones to allow simultaneous transmission and receiving for continuous communications.

In the field of biotechnology, Finnish Sugar has become a world-leading producer of enzymes by a forceful acquisitions policy aimed at expanding *know-how, marketing channels* and market shares in the US and the UK.

The bulk of its basic research is being carried out in co-operation with the technical Research Centre, and with Nabisco Brands of the US.

Valmet has focused on producing specialised factory automation systems intended for smaller and medium-sized companies, thus avoiding the highly-competitive automation market for high-volume industries.

In an attempt to widen its international sales possibilities, Valmet recently signed a marketing co-operation pact with Mitsui Seiki of Japan—the major machine tools manufacturer.

Even in sports equipment, the Excel Oy group ranks as the world's leading producer of ski poles, with a 55 per cent market share, employing specialised carbon-fibre and advanced production technology.

Great expansion in turnover

The stockmarket

DAVID BROWN

"WE ARE quite small in comparison to the larger stock exchanges around the world, but we have grown very rapidly indeed," says Mr Matti Maenpaa, new managing director of the Helsinki Bourse.

In an effort to widen the scope and appeal of the Finnish capital market, the exchange recently appointed its first-ever managing director from the top ranks of Kansallis-Osake-Pankki, the leading commercial bank.

In the course of the past five years, stock exchange turnover has expanded enormously. Turnover in 1980 was less than FM 700m, divided roughly equally between equities on the one hand and bonds and debentures on the other.

By the end of 1985 the level had climbed to FM 12.2bn. The most important factor in this increase was the rapid expansion of trading in bonds and debentures, which accounted for three-quarters of total turnover last year.

By April 23 share prices had climbed a sharp 20 per cent from the start of the year to 314.8 on the Unitas index. By far the strongest-performing sector was Insurance, which jumped over 200 per cent, followed by Diversified Industrial (up 18.7 per cent) and Forest Products (up 18.6 per cent).

The weakening of markets for forest products companies (which still make up 40 per cent of Finnish exports) and the oil price downturn (which will reduce the value of exports to the USSR) may take its toll on the economy and share prices this year, however.

The exchange faces several problems of specific interest to foreign investors, who last year accounted for roughly a third of total turnover.

Despite attractive price-earnings ratios, the upper limit of 20 per cent on foreign ownership of so-called "unrestricted shares" meant that when demand dropped last year, prices for these shares fell even faster than those of "restricted" shares held by Finns.

Turnover in the Finish-held shares, meanwhile, is severely limited by a system of capital gains tax under which it is disadvantageous to sell stocks which have been held for less than five years.

"In practice, the market for foreign investors is very thin," Mr Maenpaa acknowledges. "If you want to buy or sell any significant bloc of shares it can be hard to find a counterpart. This has led to bigger price fluctuations on the free shares side."

Moreover, "in most cases, the banks have been willing to act as agents but not principals, and that's not changing in any significant way."

This situation may play a part when several Finnish companies, including Union Bank of Finland, Kansallis Osake Pankki and Finnish Sugar attempt foreign share issues this year.

Several legislated solutions have been proposed: one by the Ministry of Justice, another by the Ministry of Trade and Industry. Both have in common an attempt to increase the upper limit on foreign share ownership to as much as 40 per cent but face an uphill battle to win political consensus.

"A coalition government with Socialist and non-Socialist elements has had difficulties in reaching a decision," Mr Maenpaa says. "I really hope we can do something because this is the main problem in the Finnish equities market."

The bond market was until recently the centre of foreigni interest at the exchange and remains of significant importance to domestic investors.

Finland's stable currency — combined with high interest rates on which no withholding tax has been charged—resulted in strong foreign buying until last summer. Roughy FM 15bn in commercial bonds and debentures were floated, of which almost a third was subscribed by foreigners.

"It became perhaps too easy for Finnish companies to raise money abroad," says Mr Maenpaa, explaining the Government's decision last summer to prohibit further sales to foreigners. However, the exchange has been pressing for a relaxation of the rules under which such sales would be permitted by dispensation from the central bank.

The exchange has recently seen the introduction of small new OTC and brokers markets. Some FM 109m in new capital was raised on the broker list last year.

As the exchange has grown, and foreign interest increased, the bourse has faced criticism for the relative unsophistication of its regulatory and ethical standards—which resulted in the board's recent publication of a new code of self-regulation.

Forestry remains essential

Paper and pulp

OLLI VIRTANEN

FINLAND practically lives by its forests. Although their share of the country's total exports came down to 36 per cent last year, forest industry products still remain the lifeblood of the economy.

Despite their crucial role, however, the forest industry companies have traditionally been less profitable and more indebted than their competitors *in other major exporting* countries. The main reasons are expensive wood raw material, labour costs, and relatively small size of the companies.

Now the picture is gradually changing. The massive modernisation programmes in the late-1970s and early-1980s are now beginning to bear fruit. Much of the investments were directed to completely new products.

Some companies, such as Kaukas with its LWC paper, Kymi-Stromberg who recently inaugurated its new SC-plant, and Enso Gutzeit with its liquid packaging board, are now second to none in their field.

Meanwhile, companies put more and more emphasis on cost-cutting. The industry recently managed to lower the price of the stumpage for the first time ever in negotiations with the farmers' association.

The wage negotiations, particularly in the mechanical forest industry, have also been relatively easy from the employers' point of view. This reflects the fact that the mechanical forest industry is suffering badly and there is no hope of immediate relief in terms of higher market prices.

Even Rauma-Repola, Europe's largest saw-milling company, is in danger of losing its status as it has literally cut off so much dead wood.

At the same time industrial co-operation, integration and even mergers are gaining popularity. The merger between Kymi-Strömberg and Kaukas, two big forest industry companies, was widely hailed as a wise tactical move, particularly because the product ranges complement each other.

In another forest industry merger in Northern Finland two larger forest industry companies, Veitsiluoto, Metsaliitto and Kajaani, rearranged their ownership in two smaller indebted firms, Oulu and Kemi.

Despite mergers, cost-cutting and quality products Finland's forest industry faces a tough time ahead. Production still has a number of structural drawbacks, so an inevitable conclusion has been to look for bases abroad.

United Paper Mills inaugurated its huge newsprint plant in Shotton, North Wales, last year. Kaukas is planning to build a LWC plant in Scotland and Schauman was also looking for a partner in Central Europe, before the deal with Kaukas.

Legislation on telephone network

Electronics

DAVID BROWN

FINLAND follows the Scandinavian pattern of enjoying one of the world's highest telephone densities and lowest subscriber rates.

What makes the country unique in Western Europe is the fact that its Public Telecommunications Agency (P&T) shares the market with 58 other private telephone companies which also provide these services.

In the past, the local telephone companies have offered the bulk of local services, while the P&T enjoyed a monopoly over long-distance traffic, telex and mobile telephone networks. But this division was set out in legislation which is now over 100 years old, and it is changing radically.

Modern technology in the field of data communications, for example, has made interpretation of these regulations increasingly difficult and led to serious disagreements between the P&T and some of the private companies, of which the Helsinki Telephone Company is the largest.

Mr Pekko Tarjanne, director-general of the P&T, says: "We consider data communications a natural extension of telegraphy, not telephony, while the private companies argue the reverse. The situation today is a little bit stressed because of years of non-existence of the rules of the game."

Indeed, the Helsinki Telephone Company has built up its own parallel long-distance switching system to handle data communications, a move which the P&T regards as "nonsense from the point of view of national economy."

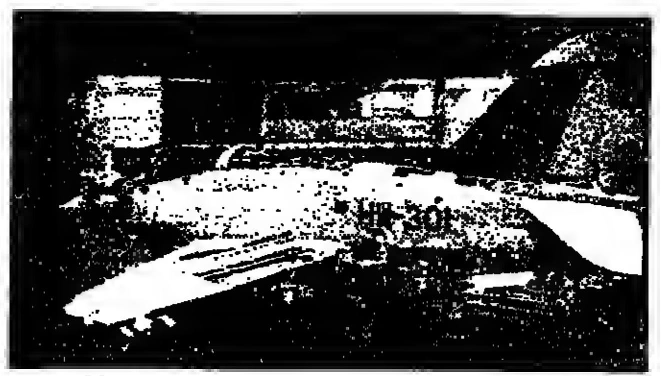
The government has drafted legislation which seeks to describe the balance of power between the two sides, although it is unclear whether it will be passed before the next elections.

"If parliament does approve the legislation, then it will be possible to see a more peaceful development of telecommunications in this country" Mr Tarjanne says.

The director-general stresses, however, that the disagreement over the lucrative data communications market has not adversely affected the quality of overall telecommunications services offered in Finland.

Meanwhile, the government has also proposed to alter fundamentally the role of the P&T so that it will no longer issue operating licences; it will be removed from the state budget and "become more or less a pure business corporation" in the words of the director-general.

In addition, the proposal seeks entirely to deregulate the sale of terminal and telex equipment, and smaller private branch exchanges.



Assembling British Aerospace Hawks at Valmet's Kunrevesi plant. Electronics is one of Finland's fast-growing sectors

The sale of mobile telephone handsets has already been liberalised (and Finland has the world's second-highest penetration of such equipment), as has that of large private exchanges, Teletex, Videotex and Telefax machines.

Finland is one of the few open telecommunications markets in the world; no system choices have been made and multinational companies compete for contracts with Fininsh suppliers.

In switching equipment, L M Ericsson of Sweden holds roughly 40 per cent of the market, Nokia of Finland another 40 per cent, followed by Siemens with up to 20 per cent and ITT with the remainder.

The electronics industry is one of the fastest-growing industrial sectors in Finland, which has emerged as a leading producer of bank automation equipment, advanced telecommunications equipment and mobile telephony.

By far the biggest domestic supplier is Nokia, which is Finland's largest private industrial corporation—with annual sales of over FMk 10bn—and its largest employer.

In the telecommunications sector, which grew some 25 per cent last year, Nokia products cover the range *from cables to* information and switching and transmission systems.

The telecommunications division has concentrated largely on the Scandinavian market, according to Mr Timmo Koski, president of the electronics unit. However, it competes internationally, has high hopes for the Far East market and has won several notable orders from China and Australia recently.

The group's Mobira subsidiary, which produces cellular mobile telephones, is the leading manufacturer in Scandinavia, which in turn has the world's largest mobile cellular system in operation.

Moreover, the group last year initiated an important joint venture with the Tandy Corporation of the US, which has now started production, and expects mobile telephone sales on the American market to reach some 35,000 or more than 10 per cent of the total market this year.

Elsewhere in the sector, Lojha corporation is a pioneer in the production of polymer hybrid circuits (developed in connection with its electro-luminescent display technology), as has the Aspo company. The Vaisala instruments company, which has a wide range of specialised sensors particularly aimed at the weather forecasting market, sells over 95 per cent of its total output abroad.

The P&T itself, in a venture with the telephone companies, has been engaged in selling *telecommunications expertise* in areas such as Asia, Africa and the Midle East through a jointly-owned company, Telecon.

Business with birch twigs

Sauna

KEVIN DONE

THE BUSINESS visitor, or for that matter any other visitor to Finland, is unlikely to have spent much time in the country before being confronted with one of its main institutions, the sauna.

Forewarned is forearmed.

As Mr Juhani Perasalo, chairman of the Finnish Sauna Society, told the latest international sauna congress in the Netherlands earlier this year: "One can say that all important things, still today in Finland, happen in the sauna. All international textbooks on management must have in their Finnish editions special chapters handling sauna meetings. Sauna belongs to the Finnish decision - making tradition."

The Finns are certainly not averse to using their national institutions as a means to an end either in diplomacy or business. The sauna, they claim, is a great leveller. It is also virtually unavoidable.

On a visit to Finland last year Mr Shintaro Abe, the Japanese Foreign Minister, was even pictured naked on the front page of one of Helsinki's most respected daily newspapers along with his Finnish host, Mr Paavo Vayrynen, the Finnish Foreign Minister. They sat smiling and chatting—and sweating—their modesty preserved only by a couple of strategically-held bunches of leafy birch twigs.

Finnish industrialists and politicians are well-known for taking their adversaries to the sauna. As the Finnish sauna society explains: "Hostility melts in the steam as birch whisks swish, and stubborn minds begin to accept compromise. Rank and protocol are shed in the dressing room along with one's clothes. It is hard to maintain pompous dignity without one's clothes."

It was in the sauna, for example, that Finland's former president, Urho Kekkonen, reputedly cleared the way with the Soviet leader Nikita Kruschev for Finland to move ahead and join EFTA, the European Free Trade Association.

Wherever Finns go their saunas go with them. Finnish troops serving with the UN peacekeeping forces insist that one of their priorities on arrival is to erect a tent sauna, whether the location is the cool mountains of Cyprus or the baking valleys of Lebanon. During their two wars with the Soviet Union during the second world war Finnish troops even built saunas at the front line along with more normal fortifications.

At home Finns go to great lengths to assure visitors that for them the sauna is not the sort of institution found in red light districts around the world. A Finnish sauna is not a "massage parlour," the Helsinki tourist guides' association sternly informs the uninitiated.

Given that there are about 1.2m saunas in Finland and only some 4.8m Finns, that would otherwise make an awful lot of massage parlours. As one recent sauna book, quoting the awe of an imaginary first-time British business visitor, says: "Could there really be over a million of these houses of ill repute in such a tiny country. Wow." Mixed sauna, except in the family, is not a Finnish tradition.

Finns take about 200m sauna baths each year and Finland is undoubtedly the only country in the world where the sauna outnumbers the car.

The climate undoubtedly has much to do with the habit. No other country has so many people living at such northerly latitudes—namely north of the 60th parallel—as Finland, but Finns try too to spread the gospel abroad. Enough foreigners appear to be convinced that sweating in small dark rooms at temperatures of 100 deg Centigrade (212 deg F) or more—the boiling point of water after all—can be a pleasure, to allow the sauna to make a useful contribution to the Finnish trade balance.

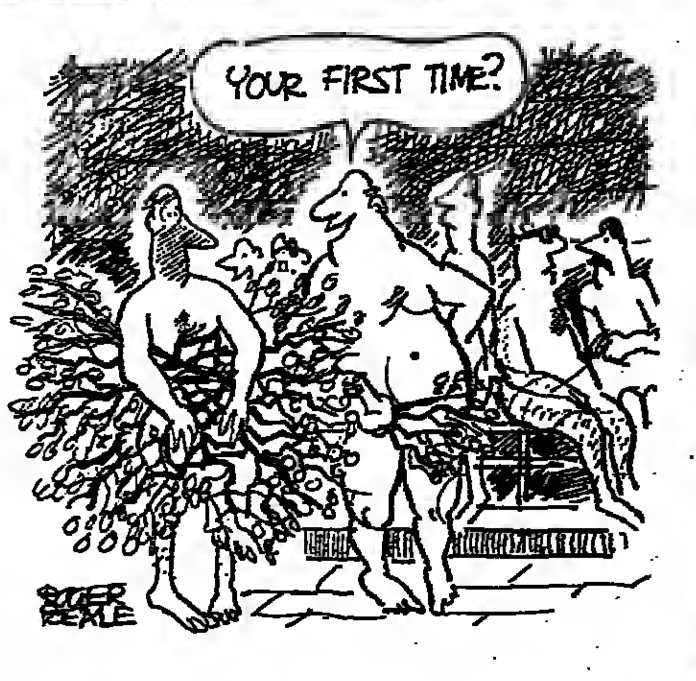
In the last two generations the sauna has moved along with most of the population from the countryside into the towns, but the bathroom sauna in a Helsinki flat and the ancient Finnish smoke sauna or savusauna still have the heated rocks and the sweat in common.

Saunas are found in most Finnish homes; there are shared saunas in blocks of flats with each family having different times available during the week; there are saunas in hotels, aboard ships, at camping sites and in office buildings, but the most idyllic are still those built at the lakeside beside Finnish country cottages with a jetty leading straight to the water for a cooling swim.

In the depths of winter a hole can be cut in the ice if a roll in the snow does not suffice.

To speed up the sweating process you beat yourself with a *vihta*, a bundle of leafy birch twigs bound into a switch or whisk. The birch twigs are cut in full leaf during the summer and then either dried with salt or kept in the freezer for use during the long winter months.

One sauna book is good enough to admit, however, that "the over-vigorous use of the whisk and the roll in the snow are aspects of the ritual urged on the unsuspecting foreigner but not always practised so devotedly by Finns themselves."



Electrically-heated saunas are now the rule in the towns, but the ultimate experience remains the old-fashioned smoke sauna where the smoke from the birchwood fire used to heat the sauna swirls thick and black straight into the sauna room before escaping in billowing clouds under the eaves. When the sauna is ready a fine birchwood aroma remains scenting the air and mixing with the *loyly*, the hissing vapour that steams up as water is ladled on to the hot stones atop the sauna oven.

Fresh from the heat of the sauna you can stand awhile outside in minus 30 deg Centigrade, your naked body steaming in the polar night, the moonlight reflecting from a snow-covered frozen lake with the crazy streamers of the northern lights playing phosphorescent games across the sky.

● To arrive properly prepared for the sauna one of the best books to read is The Businessman's Guide to the Sauna by Arto Paasilinna and Terhn Ovaska. Published by Uust Suomi Oy/Business Books, PO Box 189, SF-00101 Helsinki.

Decision for the 1990s

Energy

DAVID BROWN

FINLAND, which until late April was inching towards a decision to expand its nuclear generating capacity to help meet expected demand in the 1990s, may now face a re-think in the light of the Chernobyl disaster in the Soviet Union.

Two of the country's four existing plants were constructed by the Russians—although not of the same type—and have performed beyond expectations. A decision to build a fifth plant—to be purchased either from the Soviets or Sweden—was considered inevitable until now by industry observers in Helsinki.

Yet the country does face a problem. Having few hydro resources left to exploit, it decided in the 1970s to develop nuclear energy. This now supplies about 40 per cent of the total requirement, one of the highest levels in the world.

The Finns, moreover, are heavy electricity consumers both in their homes and in industry, and usage has climbed on average by some 5 per cent annually over the past decade.

Although further growth in consumption is expected to be slow, it will climb nonetheless by some 25 per cent or 2.500 MW to a total 12,500 MW by the end of the 1990s, according to the Ministry of Trade and Industry which recently tabled a new "Electrical Energy Package" which seeks to fill this gap.

The plan calls for the addition of some 1,500 MW by expanding district heating and industrial cogeneration facilities and developing the last remaining hydro resources, and for increased electricity purchases from Sweden and the USSR.

Yet a further 1500 MW will be needed, and it was this gap that one or possibly two new nuclear power plants were to have filled under the government plan.

What until now has been the main impediment to progress was the formal opposition of the Center Party, which was expected to reverse its policy at the forthcoming party congress in July and so clear the way for the passage of new energy legislation which could have allowed construction to start as early as 1989.

Given the deep concern surrounding the dangerous events at Chernobyl, and the sudden surge of anti-nuclear feeling throughout Scandinavia, this projection has suddenly become unclear.

Although industry circles remain confident that a new reactor complex eventually will be built, the very least that can be expected is a considerable delay of several years before a decision can be taken.

Indeed, the new [illegible] Oy group, recently formed by the two existing nuclear producers to co-ordinate construction and operation of the next facility, has indefinitely put off plans to table a proposal.

In another significant move, the government recently proposed to shift from excise-based energy taxation to a sales tax, allowing a tax write-off and thus considerably lower costs for industry — not least in the forest products sectors where energy costs are a critical factor in profitability.

Roughly half of Finland's total energy consumption is by industry (largely pulp and paper) and a quarter is residential (due to the cold northerly climate).

The country imports all its fossil fuels, and energy accounts for nearly 30 per cent of total imports. Oil consumption has declined by some 20 per cent since the 1973 price shocks. Fully 80 per cent of total crude oil imports come from the Soviet Union. This has played an important role in the two countries' trade balancing arrangement.

The consumption of natural gas takes up only 2 per cent of total energy use, although there has been discussion of increasing this amount to supply the city of Helsinki via a pipeline from the USSR.

Coal and natural gas provide 13m tonnes of the country's total 30m tonne energy supply. Finland is also a major importer of coal (again from the Soviet Union and also Poland).

Finland is one of the world's pioneers in the use of district heating, which has more than doubled in the past decade. Domestic energy sources — mainly hydro and to a much lesser extent peat and waste wood — make up some 30 per cent of total consumption.

Cold winds of recession reach the yards

Shipbuilding

OLLI VIRTANEN

PERHAPS IT was inevitable although few people wanted to believe it, but the world shipbuilding recession, which seemed to miss Finland completely, has now hit the country with force.

Finland's four shipbuilding companies were able to surf most of the rough seas by concentrating on special vessels and producing to meet a steady stream of orders from the Soviet Union. This combination made the yards highly profitable for years running.

Ice breakers and other ice-strengthened vessels, passenger ships and cruise liners, research vessels and Arctic off-shore, these were the specialities of the four Finnish shipbuilding companies, Wärtsilä, Valmet, Rauma-Repola and Hollming. And with more than 50 per cent of the aggregate output earmarked for the Soviet Union, the yards were able to maintain bulging order books for years ahead.

Not so anymore. One by one the dominoes have fallen. Exports to Western markets have dried up almost completely since Wärtsilä delivered the world's biggest luxury cruise liner "Royal Princess" to the British shipping line, P&O, almost two years ago.

Expertise in narrow fields such as ice breakers is losing importance, too. Far Eastern builders have developed their expertise and have become competitive in many fields. Similarly many highly-subsidised European yards have been able to snatch orders by allegedly undercutting market prices by up to 40 per cent.

Third, the bread and butter of the Finnish yards, orders from the Soviet Union are also decreasing. The overall trade between the two countries will come down considerably, due to falling oil prices and this will undoubtedly affect ship orders, too. In addition the Soviets are shopping around more actively for ships elsewhere in Europe.

All this means that the total workforce at Finnish yards has come down rapidly from the peak of 18,000 in 1982 to 14.000 today. According to some estimates it will drop well below the 10,000-mark before the end of this decade.

At the same time, the backlog of orders has come down from the peak of GRT 800.000 in 1985 to GRT 475,000 at the end of 1985.

The next couple of years are crucial for the four Finnish shipbuilders, who have eight yards in total. Wärtsilä's yard at Turku, for example, has eight vessels under construction at the moment, but even the last of these is scheduled for delivery next year.

Two other large yards, Rauma-Repola's yard at Rauma (six vessels under construction) and the Helsinki shipyard of Valmet (four vessels), will also stand idle at the end of next year if they cannot win new orders.

Wärtsilä, flagship of the industry, has suffered a number of significant blows recently. Last year it lost two separate orders for ships it had designed. Earlier this year the company lost an order for two large car-passenger ferries placed by a Finnish shipping line.

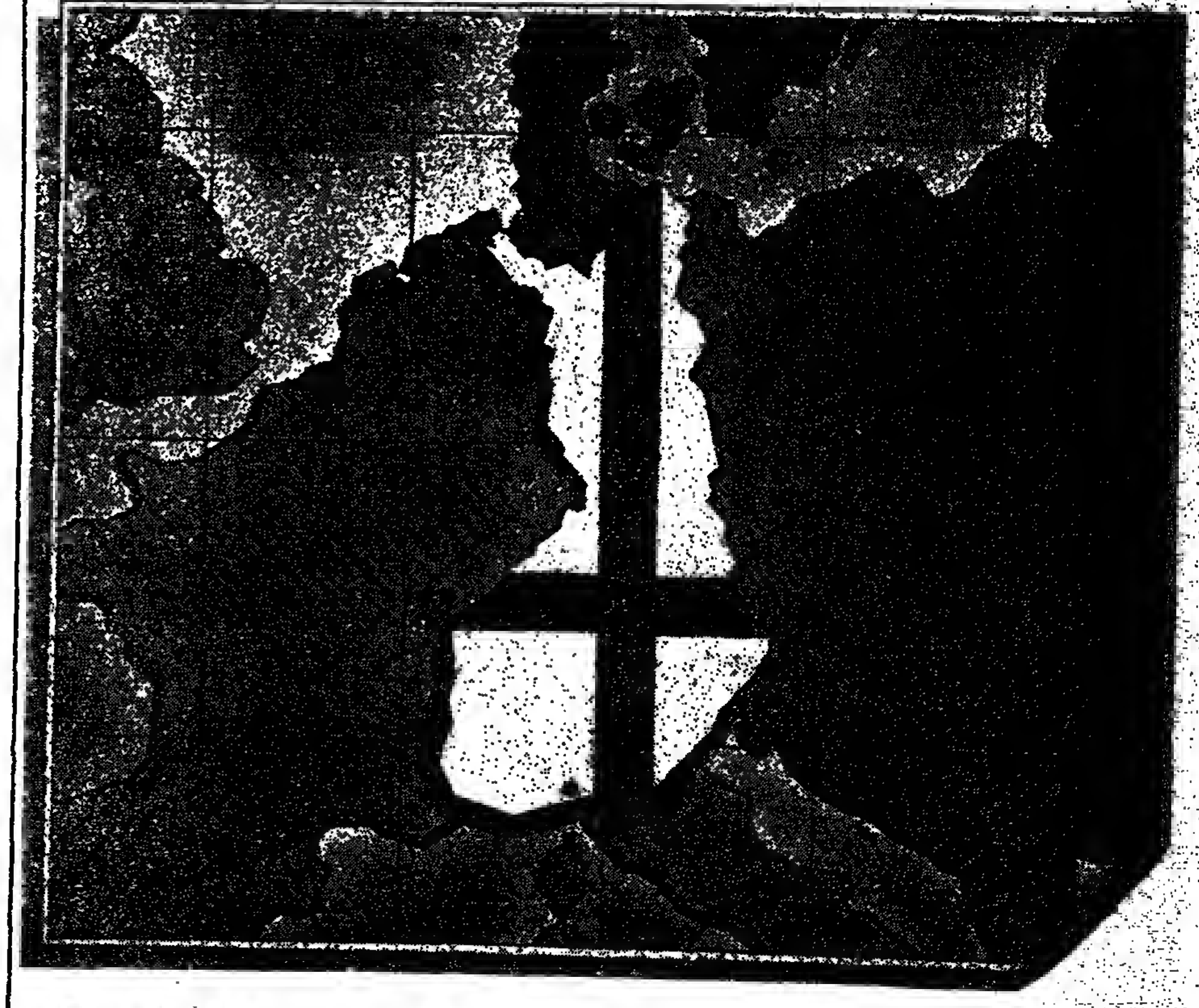
The vessels will now be built by a Yugoslav yard, marking the end of a tradition of Finnish yards building passenger ships for Finnish owners.

Domestic competition has also been fast and furious. In particular, Wärtsilä has been annoyed by what it sees as attempts to enter its home turf. Valmet recently completed its first cruise liner and before that both Valmet and Rauma-Repola bid for two icebreakers ordered by the Finnish government.

In both these categories Wärtsilä has been the world leader and the company strongly urged the other yards to try to find their own specialties.

All Finnish shipbuilders have strongly urged other countries to do away with the lavish subsidies they give to their own yards. The Finnish companies, of which Wärtsilä, Rauma-Repola and Hollming are privately-owned and Valmet is a state-owned group, take a masochistic pride in pointing out that they do not receive help from the state coffers.

With orders dwindling more and more voices ask: should not there be more legislation to play the subsidies game. But so far the companies have refused with some minor exceptions. Instead they emphasise that subsidies breed inefficiency and can never be a long-term solution. They also point out to Sweden where even SEK 25bn in total subsidies could not save the yards.



SECTION II – COMPANIES AND MARKETS
FINANCIAL TIMES
Wednesday May 21 1986

Aérospatiale earnings surge to FFr 453.9m

BY DAVID MARSH IN PARIS

AEROSPATIALE, the French state-owned aerospace group, boosted net profits to FFr 453.9m ($64m) last year from FFr 332.1m in 1984 but sounded a warning about the effect of increasing international competition on its results this year.

Mr Henri Martre, chairman, said yesterday that increased commercial efforts and the international economic revival last year enabled Aérospatiale to reverse setbacks in 1982-83, when the company suffered particularly from a steep fall in sales of the European Airbus.

New orders last year rose to FFr 37.8bn, of which 70.2 per cent were exports, compared with FFr 20.2bn (57.7 per cent exports) in 1984 and FFr 12.9bn (34 per cent exports) in 1983, when Aérospatiale registered a net loss of FFr 357.5m. Turnover last year fell slightly to FFr 24.6bn, from FFr 25.1bn in 1984.

New orders in the first four months of 1986 totalled FFr 8.7bn, slightly down on the same period last year, and were likely to fall over 1986 as a whole although turnover would rise slightly, Mr Martre said.

Aérospatiale used the better economic climate last year to reduce stocks which had increased by FFr 3.5bn over the previous two years. The company's net debt fell by FFr 2.4bn last year.

Last year's new orders were concentrated on the aircraft division, thanks to sales of wide and narrow body Airbuses. Aircraft orders rose to FFr 17.9bn from FFr 5.9bn

Helicopter orders fell to FFr 5.4bn from FFr 5.9bn while tactical missile orders rose to FFr 7.5bn from FFr 4.5bn.

Mr Martre said the fall in the dollar, along with the reduction in the oil price, had hit revenues of oil producing country clients this year. It was also exacerbating competition on both civil and military markets from US manufacturers.

Pointing to the "increased aggressiveness" of US aerospace companies, he said Aérospatiale's dependence on exports was a source of fragility in markets which showed big annual fluctuations.

Concerning Franco-German plans for a joint anti-tank helicopter project, which have recently run into difficulties, Mr Martre played down any question that the German Government instead could turn towards a US company such as McDonnell Douglas, which is offering its Apache helicopter as an alternative. He said the Bonn and Paris governments, however, wanted to redraw the project to make it less complicated and lower cost.

BBL sees operating profits rise 39%

By Paul Cheeseright in Brussels

BANQUE Bruxelles Lambert, the second-largest of the Belgian commercial banking groups, saw operating profits rise an exceptional 39 per cent in the first half of the current year.

In the six months to March operating profits were BFr 3.677bn ($80m) against BFr 2.64bn in the same period of 1984–85, the bank said yesterday.

All sections of the bank's business contributed to the rise, which was helped by an incursion of funds on which the bank could draw short-term investment benefit.

In recent months the bank has been to the domestic market with a BFr 2.9bn rights issue, to the Euro-equity market to raise BFr 2.5bn and received a net benefit of $100m from a subordinated loan operation.

But there was only a marginal increase in the total value of bank assets between March 1985 and March 1986 – a 6 per cent increase to BFr 1,351.7bn – largely because of a 22 per cent decline over that period in the value of the dollar.

Deposits have continued to rise in the face of liquidity on the domestic market, but private-sector borrowing has remained relatively sluggish with companies finding other forms of financing.

Belgian public-sector borrowing, however, increased 14 per cent between March 1985 and March 1986 to BFr 406.3bn.

The strong growth in the interim figures may not carry through in quite the same degree to the yearly results, which will have to take depreciation into account.

SWEDISH GROUP IN $75m TANKER DEAL

Argonaut buys 10 vessels

BY KEVIN DONE, NORDIC CORRESPONDENT, IN STOCKHOLM

ARGONAUT, a small Swedish shipping company, yesterday became one of the leading oil tanker operators in Europe through the purchase of 10 oil tankers from Zenit, the Swedish state-owned shipping company, in a cash deal worth SKr 530m ($75m).

The purchase is one of the biggest shipping deals in terms of tonnage ever completed in Sweden and totals some 1.8m dwt.

It marks a major step for Zenit, which was formed in the midst of the 1970s shipping and shipbuilding crisis to manage the stream of vessels that had to be repossessed by Swedish shipyards when customers were unable to meet their payment commitments.

By 1984 Zenit had been forced to take on around 70 vessels, including several built by Swedish yards for stock in the vain hope of an upturn in shipping markets. Zenit has been given the task by the Swedish Government of selling off the entire fleet, as far as market conditions allow, and has sold around 40 vessels in the last three years.

It has been a heavy burden on the Swedish state, which has already pumped in SKr 4.1bn to cover Zenit losses on ship sales. Together with its subsidiary, Uddevalla Shipping, the Zenit group has been granted a further SKr 3.4bn in state aid to cover additional losses on remaining sales, such as yesterday's disposal to Argonaut.

Argonaut was formed in 1983, when it was spun off from the Saleninvest shipping group, which plunged into bankruptcy in December 1984. The major shareholder is the Wallenius shipping group with close to a third of the equity.

Mr Mats Jansson, Argonaut's managing director, said the group intended to form a new company to own 10 tankers. It will maintain a stake of at least 50 per cent and is offering the rest to outside investors.

Its own stake in the deal is being financed by a single bank, but Mr Jansson refused to disclose its identity. He said that Argonaut had bought the tankers in the belief that tanker shipping was entering a "favourable period of development."

It was not clear yesterday how long Argonaut intends to maintain ownership of the 10 vessels.

The tanker fleet includes two 350,000 dwt supertankers, three 155,000 dwt tankers and five 128,000 dwt tankers. Eight of the vessels are covered by so-called internationalisation agreements with the Swedish seamen's union. The vessels are registered under foreign flags but must maintain Swedish crews for at least 1½ years.

Flat first quarter at Atlas Copco

By Our Nordic Correspondent

ATLAS COPCO, the Swedish industrial, mining and construction equipment manufacturer, suffered stagnating profits and a dip in sales in the first quarter.

But Mr Tom Wachtmeister, chief executive, said sales were expected to pick up during the year and should result in "continued improved earnings."

The group expects continuing strong demand from OECD markets, where it derives around 70 per cent of turnover, but sales are declining to the Opec countries.

Group profits (after financial items) in the first quarter totalled SKr 197m ($27.7m) compared with SKr 202m in the first three months of 1985. Sales dropped by 3.5 per cent to SKr 2.264bn from SKr 2.347bn a year earlier.

Atlas-Copco said the lower sales in the first three months had been offset by gains in April, when earnings were also above last year's level.

New orders booked in the first three months totalled SKr 2.746bn compared with SKr 2.63bn.

The group said sales of both industrial compressors and portable compressors to the construction industry had increased, but new investments in the mining industry were weak because of low metal prices.

Last year Atlas-Copco increased its profits by 44.5 per cent

US group falls into deeper loss

By Louise Kehoe

COMMODORE International, the troubled US home computer manufacturer, is taking severe cost-cutting measures after a further heavy loss in the third quarter ending March 31.

The company has reported a net deficit of $36.7m, or $1.17 a share, for the three months. For the same period of last year, there was a loss of $20.8m, or 67 cents. Sales for the quarter, however, rose to $182.3m from $168m a year ago.

The latest results bring Commodore's losses for the past nine months to $129.1m, or $4.12 a share, compared with a $10.1m, or 33 cents, net profit for the same period 12 months earlier.

Sales for the nine months fell to $680.7m from $751.2m in 1984-85.

Although overseas sales continued to be strong during the past three months, the performance of US operations was disappointing, said Mr Irving Gould, the chairman. In particular, sales of Commodore's latest product, the Amiga computer, were slower than expected, the company said.

Since the end of the quarter the company has acted to lower costs, said Mr Gould. Actions include the reduction of US manpower costs by almost 50 per cent. In addition, the company is cutting manufacturing, selling and engineering expenses worldwide, he said.

"We are striving to break even in the current quarter, and to return to profitability in the September quarter," said Mr Thomas Rattigan, the group's president.

Commodore is, meanwhile, continuing to have discussions with its major lenders, Mr Gould said. In February Commodore reached an agreement in principle with its banks to establish a $135m credit line. Previously, the company had been technically in default on its bank debts.

Statoil acquires stake in Nylon Polymer

NORWAY'S state oil company, Statoil, said yesterday it had expanded its downstream activities through acquisition, for an undisclosed sum, of the West German plastics plant, Nylon Polymer KG. Reuter reports from Oslo.

Statoil said the purchase reflected a policy of developing interest in speciality plastics. It would increase Statoil's annual sales of speciality resins to NKr 250m ($33.1m) and boost its raw plastics materials turnover by some 15 per cent.

Statoil already operates a plastics plant in Norway and last year acquired petrochemical plants in Sweden and West Germany.

Ensidesa expects to show reduced losses

BY TOM BURNS IN MADRID

ENSIDESA Spain's state-owned steel plant, is due to announce 1985 losses of Pta 17.6bn ($128m) against Pta 24.6bn posted in 1984 when it presents its annual report at the end of this month, according to company sources.

The balance sheet improvement of nearly Pta 7bn is the result of tighter management control, according to the sources, and of sales which were 5.3 per cent up on those of 1984.

The 1985 sales figures emphasised the increasing dependence on exports by the Spanish steel sector in general and by Ensidesa, Spain's major producer, in particular. The 1985 results of the Instituto Nacional de Industria (INI) state-owned company show no indication of an increased domestic steel consumption.

Domestic sales dropped by 11 per cent last year, but exports rose by 23.4 per cent. Sales revenue totalled Pta 194m of which Pta 115m, 60 per cent, represented sales to the internal Spanish market with the balance of Pta 79m derived from exports. The sources said 13 per cent export sales were to the European Community.

The sources said that they forecast 1986 losses to be below Pta 17bn chiefly as a result of Government subsidies aimed at trimming the labour force

Hard hit by a dramatic collapse of the internal market over the past decade, when steel consumption dropped from 334 kg per capita in 1974 to 189 kg last year, Spain's steel sector is undergoing an overdue restructuring programme and is particularly vulnerable to Common Market competition.

Spain obtained generous EEC entry terms for its steel industry which included an 827,000-tonne export quota to the EEC until 1988 and freedom to inject massive state aid to put the sector on a sound financial footing.

Deere reports sharp second-quarter fall

BY TERRY DODSWORTH IN NEW YORK

DEERE, the leading US farm equipment manufacturer, reflected the continuing depression in US agriculture in his second-quarter figures yesterday, which declared a heavy loss after a $32.2m reorganisation provision.

Losses amounted to $33m against net income of $34.8m, or 52 cents a share, in the same period of last year while sales slipped to $1.02bn from $1.13bn. In the first six months of the year the deficit came to $67.8m against net profits of $6.6m, or 10 cents a share, in 1985. Sales for the six-month period fell to $1.7bn from $1.9bn.

The company said that its losses in the second quarter and in the past six months were primarily caused by extremely low North American farm equipment production and sales volume, combined with continuing high retail sales incentive costs.

The charge in the latest quarter was taken against the cost of restructuring in a move which reduced the company's workforce by 6 per cent, Deere said. In the same period of last year the group announced a smaller provision of $11.1m, again for employment reductions.

After weathering a four-year period of extremely depressed conditions in the US farming sector, Deere is still holding out no prospect of a significant upturn in the industry or improvement in its own performance.

The company said yesterday that it was reducing its 1986 production schedules for tractors, combines and other implements and warned that this would have an adverse effect on operating for the rest of the year.

Marriott launches hostile bid for Saga

BY OUR NEW YORK CORRESPONDENT

MARRIOTT, the US hotels and catering chain, has converted its friendly takeover approach to Saga, the contract food-service group, into a hostile tender offer at $34 a share.

The bid values Saga, the US'e second-largest provider of institutional food services, at $435.2m. In its last fiscal year Saga made net profits of $29.1m, or $2.18 a share, but in its most recent fiscal quarter, ending in March, the company's profits slipped to $4.1m, or 32 cents.

Saga's share price, which shot up from $29.50 in the wake of Marriott's approach earlier this month, was trading at $36⅝ yesterday, suggesting that arbitrageurs and speculators were expecting the hotels company to increase its offer.

Marriott, however, has given no indication that it is willing to increase its bid for Saga, even though it is believed to be exceptionally keen to pick up the foods concern to make itself into the largest institutional food-service company in the US.

Mayflower rejects Laidlaw

By Bernard Simon in Toronto

MAYFLOWER GROUP, the US household goods removal company and school bus operator, has rejected a $225m takeover bid by Laidlaw Transportation, the Canadian transport and waste management group which is keen to expand its own school bus operations in the US.

Besides advising shareholders to reject Laidlaw's $29.25-a-share tender offer, Mayflower said yesterday that it planned to challenge the bid on legal and regulatory grounds which it did not specify. Mayflower said that it would investigate alternatives to increase shareholders' value in the company.

Laidlaw earlier raised its bid form $28 a share following a rise in Mayflower's share price. Laidlaw had no immediate comment on Mayflower's reaction. The fast-growing Canadian company has turned its back on several acquisitions in the past when rival bidders pushed up the price.

Laidlaw is already the largest school bus operator in North America with about 11,000 buses. Mayflower's fleet would increase its capacity by another 4,500 vehicles. While Laidlaw'e strength is mainly in the east and west, Mayflower's operations are centred on the Midwest.

IBM brings in additions to mainframes

By Louise Kehoe

IBM, the US computer giant, has announced a series of data communications and telecommunications products that enhance its mainframe computer network offerings.

The new data communication controllers, modems and network software extend both the function of IBM's telecommunications products and the ability of central computer operators to configure and manage IBM networks, the company said.

Highlights of the announcements include:

- A new communications controller, a low-cost unit used to connect and control communications lines at a central computer or remote sites
- An improved version of the existing IBM 3725 communications controller
- Network control software, called Netview
- New modems, devices that link computers to telephone lines
- IBM's first digital signal processor, a device used to link computers to digital telephone lines
- A program that allows data communication between IBM's SNA networks and newer X.25 networks.

Norsk Hydro in negotiations for five Alcan extrusion plants

BY OUR NORDIC CORRESPONDENT

NORSK HYDRO, the Norwegian energy, chemicals and metals group, is bidding to become the leading European aluminium extrusions group, through the takeover of five plants in continental Europe from Alcan Aluminium of Canada.

Hydro said yesterday that the two groups had agreed to enter negotiations for the plants located in Belgium, France, West Germany and Italy.

The five plants have a total annual production capacity of 70,000 tonnes of aluminium extrusions. If the deal goes through, it would more than double Norsk Hydro's capacity to around 150,000 tonnes a year.

Hydro currently has nine extrusion plants in Europe and the US with total sales of around NKr 2bn ($264m). No price for the deal was released yesterday, but it is believed to be in the region of $20m.

At the same time Norsk Hydro is negotiating the merger of its aluminium division with the state-owned ASV, Norway's largest primary aluminium producer.

The merger has been held up by the change of government in Norway, but if, as expected, it receives the go-ahead from the new Labour administration, the new company will become one of the world's top six aluminium producers, with a capacity by next year of more than 600,000 tonnes.

Initially Norsk Hydro would own some 70 per cent of the new company, but its stake could rise later.

The deal with Alcan is strategically important for Hydro, which is seeking to reduce its exposure to the sharp fluctuations in the market for primary metal.

The extrusion plants are involved in the semi-fabrication of primary aluminium into extruded shapes for sale to manufacturers of finished products.

Hydro's current network of extrusion plants takes about 75 per cent of the 160,000 tonnes of primary metal produced at the group's Karmoy smelter. This plant is to be expanded to 220,000 tonnes next year.

Alcan has already stated that it is seeking to sell some production facilities as part of a restructuring of the group.

Bernard Gibbens adds: Alcan said it would concentrate on improving its sheet and foil operations in Europe, increasing its range of aluminium speciality products and chemicals as well as developing new businesses at higher technology levels.

Biogen opens German plant

BIOGEN, US biotechnology group, said yesterday it had opened a facility in West Germany to produce gamma interferon through genetic engineering techniques, Reuter reports.

It said it expected regulatory approval in Germany later this year to allow the use of gamma interferon in the treatment of rheumatoid arthritis.

INTL. COMPANIES & FINANCE

Bangladesh set to privatise banks

John Elliott, recently in Dhaka, on the industrial policy being implemented by the military regime headed by President Ershad

THE BANGLADESH government is about to start a gradual privatisation of three of its four state-owned commercial banks and other major industries.

Rupali Bank, the smallest of the four, will be the first candidate. The finance ministry in Dhaka is preparing to sell 10 per cent to the public through the Stock Exchange by the end of this year. Another 39 per cent, and stakes in the other two—Agrani and Janata—will follow later.

This has been decided by the military regime headed by President Hussein Mohammed Ershad and is unlikely to be affected by the country's recent general election, so long as the President remains in power. It is in line with an industrial policy launched four years ago.

"We will start first with banks, then fertiliser factories, then paper mills, taking out the big industries first," President Ershad said. "We will sell the shares. That will generate funds and the Stock Market will be activated." Chemical and engineering factories are also on the list.

A new industrial policy document is being finalised by the Government in consultation with international aid agencies including the World Bank which is linking the policy with the award of a $200m structural adjustment loan to Bangladesh.

Last week the Government rejected calls from industry for the 49 per cent share sales to be increased to 51 per cent which would have meant that the private sector took charge of the management.

Mr M Syeduzzaman, financial advisor to the President with the rank of cabinet minister, says the general policy is partly aimed at spreading shareholdings among smaller investors, and bringing new private sector direction to companies with the appointment of board representatives of the new shareholders.

He estimates that the percentage of the country's industrial assets owned by the government has been reduced from 85 per cent in 1972 to 45 per cent of a considerably larger industrial base now.

About 35 jute and 37 textile mills, amounting to about 40 per cent of the country's installed jute and textile production capacity, have been handed back to their Bangladeshi former owners. A further 1,000 small businesses — nationalised after being abandoned by both Pakistanis and Bangladeshis after the two countries split in 1972—have been sold back to the Bangladesh private sector.

A 49 per cent government stake in the International Finance and Investment Commercial Bank has been reduced to 40 per cent and will eventually go down to 5 per cent. Holdings in the Bangladesh Shipping Corporation are being similarly divested.

Government holdings of 35 to 40 per cent in various foreign-owned companies such as Philips, Phizer, GEC and Bangladesh Tobacco (part of BAT) are being reduced to 10 to 20 per cent by sale of shares or by the Government not taking up new share issues.

But the Government's two public sector banks mainly involved in industrial lending, Shipla and Krishi, have had their operations severely curtailed because of a liquidity crisis. This has been caused by them only recovering 5 to 14 per cent of their private sector loans with a total of [illegible] ($179m) outstanding. The World Bank and other aid agencies have withdrawn from refinancing arrangements until the situation improves.

The average annual investment of the private sector increased from TK [illegible] in 1973-78 to TK 2.1bn in [illegible] and TK 3.94bn in [illegible] according to the country's third five-year plan for [illegible] which envisages a further [illegible] expansion.

President Ershad says he hopes the main political opposition alliance in the recent elections, led by the Awami League, will have "an understanding" with the government on these policies.

The Awami League has in the past had more left-wing policies than President Ershad, but it seems unlikely to interfere in the privatisation programme. Mr Kamal Hossain, a Dhaka lawyer and one of Awami's most prominent leaders, is involved in the setting up of an offshoot of Al Baraqa Bank of Saudi Arabia in Bangladesh which will be 70 per cent owned by Saudi interests.

There are already about 10 foreign banks in the country and the government's basic policy is not to admit any more until they have consolidated their business.

Alps Electric suffers 42% fall

BY CARLA RAPOPORT IN TOKYO

ALPS ELECTRIC, one of Japan's major components makers, showed a drop of 42.7 per cent in pre-tax profits in the year to March. The company blamed its woes on sluggish sales, falling prices and the yen's appreciation.

Alps, which supplies most leading electronic Japanese exporters, saw sales drop 9.5 per cent to Y284.44bn ($1.69bn) and pre-tax profits down to Y14.9bn from Y26.6bn. The decline brings profits back almost to their 1983 level of Y13.9bn.

Japanese exporters have been squeezing their suppliers particularly harshly in recent months in their efforts to hold down the prices of exports. Alps is a leading maker of video cassette recorders and computers. The company said, however, that sales of magnetic heads (used in audio and video equipment) had continued to grow last year, while floppy disc drives had fallen sharply.

The company also said yesterday that it has expanded its original equipment manufacturer (OEM) business sharply this year, which would help profits to recover in the current year. Orders for floppy disc drives in April, for example, amounted to Y37.8bn, close to the all-time high posted in May of last year.

Ricoh earnings decline by 11%

BY OUR TOKYO STAFF

RICOH, the leading Japanese maker of copiers and other business machines, suffered a 11.2 per cent drop in pre-tax profits to Y25.65bn ($157.5m) in the year to March, ascribed to a fall in the profitability of yen-denominated exports.

In addition, the company suffered a foreign exchange loss of about Y600m and increased depreciation expenditures accruing from capital spending of Y48.3bn.

Net profits were 10 per cent lower at Y12.46bn, on sales of Y490.13bn, up 8.5 per cent from a year before. The annual dividend is unchanged at Y10.

For the current year, Ricoh expects to suffer the persistent negative impact of the surge in the yen. However, domestic sales of plain paper copiers, facsimile equipment and word processors are expected to increase.

Full-year pre-tax profits are projected at Y19bn, down 26 per cent, with net profits of Y9bn, down 28 per cent, on sales of Y520bn, up 6.1 per cent from the previous year.

Changing demand hits Hattori Seiko

HATTORI SEIKO, Japanese maker of watches and clocks, suffered a 55.9 per cent plunge in pre-tax profits to Y3.5bn ($20.8m) in the year to March, writes Yoko Shibata in Tokyo.

Net profits rose 7 per cent to Y2.76bn, on turnover which at Y373.21bn showed a dip of 0.1 per cent.

The earnings setback was blamed on a shift in watch demand to lower-priced products both at home and abroad, and a drop in dividend receipts from its overseas subsidiaries.

Exports of medium and high-quality watches slowed down, affected by the yen's surge, but exports of spectacles, liquid crystal display television sets and jewellery showed gains.

The annual dividend is unchanged at Y10. The company lowered yen-denominated prices of watches by an average 10 per cent last month.

Suzuki exports help produce record profits

By Yoko Shibata in Tokyo

SUZUKI MOTOR, Japan's largest producer of compact cars and third biggest maker of motorcycles, achieved record pre-tax profits of Y18.09bn ($107.5m), up 5.9 per cent in the year to March.

A surge of 24.4 per cent in sales to a peak Y722.34bn was helped chiefly by exports.

Thanks to a four-fold expansion of Suzuki's US export allocation from 17,000 units in 1984 to 60,000 units in 1985—supplying one-litre cars to General Motors—Suzuki's exports increased 58 per cent in unit terms. Domestic unit car sales rose 4 per cent.

Motorcycle exports advanced by 6 per cent, offsetting stagnant domestic sales. As a result, the ratio of export to total turnover rose to 50 per cent from 44 per cent a year earlier.

Operating profits fell 5.3 per cent due to higher depreciation costs, and increased profits from investments and repayment of loans enabled the company to report the increase in pre-tax profits. The annual dividend is being kept at Y6.50 per share.

For the current year, the company says its outlook depends on the strength of the yen against the dollar. Suzuki initially forecast pre-tax profits of Y15bn for the year on the assumption of an exchange rate of Y180 to the dollar. But it foresees no earnings growth if the yen hovers around Y185 to the US currency.

National Mutual expands in South Africa

By Jim Jones in Johannesburg

NATIONAL MUTUAL Life Association of Australia is to merge its South African operations with those of NED-Equity Insurance, the local affiliate of Nationale Nederlanden, the Dutch insurer.

National Mutual is a mutual company worldwide and has no shareholders. As a result, the merger with NED-Equity will not involve any divestment from South Africa.

The merger has been prompted by National Mutual's view that its operations are below the critical size needed to allow the company to compete effectively in the South African life assurance market. The merger with NED-Equity will create a company with total assets of about R700m ($315.8m) and investment and premium income of about R175m.

At the end of 1985 NED-Equity had total assets of about R400m and investment premium income of R103m.

C. H. Tung

BECAUSE OF a transmission error, it was wrongly stated in the Financial Times of May 17 that no interest would be paid by C. H. Tung, the Hong Kong shipping group, on debts fully secured against the market value of vessels. Under restructuring proposals, full interest will be paid.

JAPANESE RESULTS

NIPPON GAKKI
MUSICAL INSTRUMENTS

11 months to	Mar '86 Y	*April '85 Y
Revenues (bn)	349	357
Pre-tax profits (bn)	12.63	13.93
Net profits (bn)	4.71	5.50
Net per share	31.19	41.91
Dividend	10	10

PARENT COMPANY
* Year

ORIENT LEASING
LEASING, FINANCE

Half-year to	Mar '86 Y	Mar '85 Y
Revenues (bn)	192	189
Pre-tax profits (bn)	7.18	4.34
Net profits (bn)	1.66	1.61
Net per share	34.01	30.99
Dividend	0	0

PARENT COMPANY

هكذا من الأصل

INTL. COMPANIES & FINANCE

Fed sets terms for Citicorp deal

BY PAUL TAYLOR IN NEW YORK

THE US Federal Reserve Board yesterday conditionally approved Citicorp's planned acquisition of Quotron, the electronic information service, but said that, if the deal went through, Citicorp would have to divest Quotron's hardware assembly operations within two years.

The decision appears to remove one uncertainty hanging over Citicorp's $19-a-share or $680m bid for the *Los Angeles*-based group – a bid which was rejected as "inadequate" last month by Quotron's board.

Citicorp has said that, while it does not intend to increase the offer, it remains interested in Quotron and may go directly to Quotron's shareholders with a hostile tender offer.

The banking group had been required to seek Fed approval for its proposed bid because the Fed is the primary regulator of bank holding companies.

If Citicorp proceeds with its bid, it could challenge the Fed's requirement that it shed the computer terminal hardware assembly and installation business before the two-year deadline.

The Fed said Citicorp would also have to drop certain electronic travel and reservation services now offered by Quotron and restrict Quotron's office services to the processing of financial, banking or economic data.

But Quotron's main business – providing stock, bond and other financial instrument quotes – would remain intact.

Norsk Data prepares to buy into Matra

BY OUR FINANCIAL STAFF

NORSK DATA, the Norwegian computer group which has a London stock market listing, is preparing the ground for a major share purchase in Matra Data Systems of France.

The two companies are in talks which could lead to a decision on Norsk Data taking 10 per cent of Matra Data, part of the Matra electronics and defence group, within the next couple of months.

Mr Rolf Skaar, the head of Norsk Data, said yesterday that the deal – if concluded – could eventually lead to Norsk Data taking as much as a 34 per cent equity participation in the French company.

The two groups have a number of trading links. "The co-operation between us is close," said Mr Skaar. Matra Data has developed, manufactured and marketed Norsk Data equipment in Italy and France for several years.

For 1985 Norsk Data increased pre-tax profits by more than half to NKr 360m ($47.6m) on sales of NKr 1.9bn. When announcing the figures, Norsk Data said sales in France had been boosted by its links with the Matra group.

Matra is controlled by the French state. Its net earnings in 1985 totalled FFr 110m ($15.5m) on sales of FFr 14.9bn.

This announcement appears as a matter of record only.

New Issue *15th May, 1986*

U.S.$90,000,000

SEKISUI CHEMICAL CO., LTD.

2¾ per cent. Guaranteed Notes Due 1991

with

Warrants

to subscribe for shares of common stock of Sekisui Chemical Co., Ltd.
The Notes will be unconditionally and irrevocably guaranteed by

The Sanwa Bank, Limited

Issue Price 100 per cent.

Yamaichi International (Europe) Limited — *Nomura International Limited*

Sanwa International Limited
Daiwa Europe Limited
Banque Paribas Capital Markets Limited
County Bank Limited
Deutsche Bank Capital Markets Limited
Julius Baer International Limited
New Japan Securities Europe Limited
J. Henry Schroder Wagg & Co. Limited
Union Bank of Switzerland (Securities) Limited
S. G. Warburg & Co. Ltd.

Bank of Tokyo International Limited
Robert Fleming & Co., Limited
Baring Brothers & Co., Limited
Daiwa Bank (Capital Management) Limited
IBJ International Limited
Morgan Stanley International
The Nikko Securities Co., (Europe) Ltd.
Svenska Handelsbanken Group
Vickers Da Costa International Limited
Westdeutsche Landesbank Girozentrale

CANADIAN CO-OPERATIVE CREDIT SOCIETY LIMITED

U.S.$90,000,000

Revolving Underwriting Facility due 1990
(Series 1)

Notice is hereby given that for the one month interest period from the 21st May 1986 to the 23rd June 1986 the following will apply:—

(1) Rate of Interest 7.225% pa
(2) Interest amount US$3,311.46 per US$500,000 nominal
(3) Interest payment date 23rd June 1986

MERRILL LYNCH
INTERNATIONAL BANK LTD
Agent Bank

CANADIAN $75,000,000
PROVINCE OF NEW BRUNSWICK
Floating Rate Notes
due May 1994

Notice is hereby given that in respect of the Interest Period from May 21, 1986 to August 21, 1986 the Notes will carry an Interest Rate of 7[illegible] per annum. The amount payable on August 21, 1986 against Coupon No. 9 will be Can $194.86 for Bearer Notes of Can $10,000 principal amount and Can $19.49 for Bearer Notes of Can $1,000 principal amount. Can $19.49 will be payable on each Can $1,000 principal amount of a Registered Note.

21 May, 1986
THE CHASE MANHATTAN BANK, N.A.
LONDON, AGENT BANK

CHASE

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This announcement appears as a matter of record only. May 1986

Marubeni

MARUBENI U.K. (CAYMAN) LIMITED
MARUBENI INTERNATIONAL FINANCE (CAYMAN) LIMITED
MARUBENI AMERICA CORPORATION

U.S.$300,000,000
EURO-COMMERCIAL PAPER PROGRAMME
Unconditionally and Irrevocably guaranteed by
THE FUJI BANK, LIMITED

Dealers

Bankers Trust International Limited
Citicorp Investment Bank Limited
Morgan Stanley International
Nomura International Limited
J. Henry Schroder Wagg & Co. Limited

Issuing and Paying Agent

The Chase Manhattan Bank, N.A.

Arranged by

Citicorp Investment Bank Limited **J. Henry Schroder Wagg & Co. Limited**

All of these Securities have been offered outside the United States.
This announcement appears as a matter of record only.

NEW ISSUE April 1986

$30,000,000

AIRCAL

5¾% Convertible Subordinated Debentures Due 2001

PaineWebber International
Shearson Lehman Brothers International
Banque Paribas Capital Markets Limited
Kleinwort, Benson Limited
S.G. Warburg & Co. Ltd.

Banque Bruxelles Lambert S.A.
Kidder, Peabody International Limited
Morgan Stanley International
Société Générale

Hill Samuel & Co. Limited
McLeod Young Weir International Limited
N. M. Rothschild & Sons Limited
Soditic (Jersey) Limited

This announcement appears as a matter of record only. MAY 1986

U.S. $100,000,000

Sony Overseas Finance B.V.

a wholly-owned subsidiary of
and guaranteed by

SONY

Sony Corporation
(Sony Kabushiki Kaisha)

Euro-Commercial Paper Programme

Co-Dealers

Morgan Guaranty Ltd **Credit Suisse First Boston Limited**

The Euro-Commercial Paper will not be registered under the United States Securities Act of 1933.

Lloyds Bank Plc
(Incorporated in England with limited liability)

U.S.$500,000,000

Primary Capital Undated Floating Rate Notes (Series 2)

In accordance with the terms and conditions of the Notes and the provisions of the Agent Bank Agreement between Lloyds Bank Plc and The Chase Manhattan Bank, N.A., dated 19th November, 1985, notice is hereby given that the Rate of Interest for the Interest Period beginning on 21st May, 1986 has been fixed at 7[illegible]% p.a. The relevant Interest Payment Date is 21st August, 1986 (making an interest period of 92 days), and payment of US$186.68 will be made against Coupon No. 3.

Lloyds Bank

21st May, 1986
By: The Chase Manhattan Bank, N.A., London, Agent Bank

THE FINANCIAL TIMES
is proposing to publish a Survey on

THE WATER INDUSTRY

July 9 1986

For further information, please contact:
MARK FISHER
on 01-248 8000 ext 3389

Publication date is subject to change at the discretion of the Editor

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MACFARLANE GROUP (CLANSMAN) P.L.C.

Highlights from the 1985 Accounts

Year ended 31st December	1985	1984
Turnover	**£48.1m**	£41.5m
Profit before tax	**£4.0m**	£3.0m
Total Dividend	**£0.8m**	£0.7m
Earnings per Share	**7.8p**	6.4p
Dividend per Share	**2.5p**	2.2p

"The company once again achieved record sales and profits".

"The increase in dividend of 15% continues our record of having paid an increased dividend every year since the group was established in its present form in 1973".

SIR NORMAN MACFARLANE
Chairman

Copies of the Report and Accounts are available from The Secretary, Macfarlane Group (Clansman) P.L.C., Sutcliffe Road, Glasgow G13 1AH.

Bank floaters better met than fixed-rate issues

BY CLARE PEARSON

ROYAL BANKof Canada and Banco di Roma launched floating-rate note issues yesterday. Although investors clearly prefer sovereign names at the moment, botb bank's paper was far better received than the day's three fixed-rate bonds. The fixed-rate sector was blighted by falls in US Treasury prices after a higher-than-expected upward revision of first-quarter US GNP growth, sbowing a rise of 3.7 per cent, was announced.

Royal Bank of Canada's $300m subordinated issue matures in 99 years. It is thus virtually perpetual debt, although Canadian banks are debarred from launching undated bonds. The issue pays ¼ point over the mean of three-month London interbank bid and offered rates and is priced at par. There is no borrower's call option for the first five years. Thereafter the bond may be called at par. Fees total 42 basis points, with 21 basis points for selling.

The issue traded rapidly at around 100.15 on the bid side yesterday so that some dealers *commented* that it could have been priced less generously. Orion Royal Bank led the deal.

Morgan Guaranty led a $200m floating-rate note issue for Banco di Roma, after competitive bids had been submitted by various houses last week. The 15-year bond pays interest at the rate of three basis points over the six-month London interbank offered rate and has an issue price of 100.05. Fees total 14 basis points.

Banco di Roma's bond is callable after the first year at par. Since call options are unpopular among investors at the moment, especially on issues for banks, many dealers thought this would make trading difficult. Morgan Guaranty quoted a bid price of 99.92, just within the fees, yesterday afternoon.

Three new fixed-rate dollar bonds were launched yesterday morning before the announcemet of the revised GNP estimates. Their trading prices were marked down in the course of the afternoon as US Treasury bond prices fell.

Two Australian borrowers, the Australian Industry Development Corporation (AIDC) and State Bank of Victoria, issued bonds, both lead-managed by Morgan Stanley. AIDC's $100m 10-year bond, guaranteed by the Commonwealth of Australia, bore an 8¾ per cent coupon *and was priced at 101*⅜. Although dealers said the pricing looked reasonable, they noted that there is an excess of 10-year paper at the moment.

The State Bank of Victoria's $125m bond matures in seven years' time. It has a coupon of 8¼ per cent and a price of 100¼. At the time of launch it gave a yield spread over comparable Treasuries of 65 basis points.

Nomura International *launched a $100m* seven-year bond for Sony the Japanese electronics group which will be partially swapped into D-Marks. The bond carries a coupon of 8½ per cent and the issue price was set at 99¾. Dealers said this bond would be hard to sell as investors prefer state-backed to corporate names. After the fall in US Treasury prices this issue was quoted by the lead-manager at a discount to issue price of 3¼ per cent.

Nomura International said it would launch today an equity-linked bond for Alps Electric of Japan.

In the French franc sector, the penultimate issue of the calendar was launched, for Euratom, the European atomic energy commission. The issue amount was FFr 300m, the coupon was 7⅞ per cent and issue price par. Credit Commercial de France led the 12-year deal and quoted a bid price of 98, the level of the total fees.

The Swiss franc sector saw the first new issue for some days, for Oesterreichische Postsparkasse, the *Austrian* bank. The Sfr 150m 16-year issue is guaranteed by Austria. The issue price was set 100½, and the coupon at 5 *per cent*. Many dealers thought this slightly too low, especially as the bond may be called in seven years' time at 101½, and thereafter at declining premiums. Union Bank of Switzerland led the deal.

A SFr 200m equity warrants issue for Commercial Union was priced. The coupon was reduced to 4¼ per cent from an indicated 4½ per cent. The exercise price on the warrants was set at 365p, *representing* a 14.1 per cent premium over the average price of the shares for the last five days. The share price *closed* in London yesterday at 316p.

The D-Mark sector *traded* thinly yesterday. Prices were marked down by up to ½ point.

Finland eases foreign investor rules

BY OLLI VIRTANEN IN HELSINKI

THE BANK of Finland has eased its ban on foreign investors buying bonds and debentures on the Helsinki Stock Exchange. The central bank has also now allowed foreigners to sell Finnish bonds and debentures, provided they buy other Finnish securities for the same amount and do not take the proceeds out of the country.

The categorical ban was imposed last June, when Finnish companies and municipalities launched a huge volume of paper to pre-selected foreign investors. Finland's high interest rates at the time helped the issues attract FM 4.3bn ($850m) to the country during the first half of 1983. This compares with the total turnover of the stock exchange of FM 12.2bn ($2.2bn) last year.

Neither the Bank of Finland nor the Helsinki Stock Exchange expects a great rush by foreigners to sell back their securities. *The move is seen as* the first step by the central bank in lifting the ban completely.

FT INTERNATIONAL BOND SERVICE

Listed are the 200 latest international bonds for which there is an adequate secondary market.

Closing prices on May 20

US DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amoco Co. 9¾ 16	200	98⅝	99⅛	−0⅝	−1⅝	9.87
Atlan. Richfield 10⅛ 00	250	103⅝	103⅞	−0½	−2⅝	9.79
Australia Com. 11 95	200	114⅛	114⅝	−0⅞	−1⅞	8.65
Australia Com. 11⅛ 00	100	114⅛	114¼	−0⅝	−1⅛	9.35
BP Capital 9⅛ 94	100	98⅝	98⅞	−0¼	−3⅝	9.37
BP Capital 11⅛ 92	150	106¼	106¾	−0⅛	−2¼	9.57
Campbell Soup 10½ 95	100	108	108½	−0⅛	−2	9.13
Canada 9 96	1000	103	103½	−0¼	−2⅛	8.49
Canada 11½ 90	500	110¼	110⅝	−0½	−1⅛	8.18
Canadian Pac. 10¼ 93	100	108	108½	+0⅛	−0⅞	9.12
CEPME 10⅛ 91	100	105⅝	106⅛	−0½	−1½	8.70
Citicorp 10 88	200	†102⅞	102⅝	−0¼	−0⅛	8.76
Citicorp 10⅜ 95	200	103½	104	−0⅝	−1⅛	9.98
Credit Lyonnais 9 91	200	101⅞	102¼	−0⅛	−1⅛	8.41
Credit National 9¼ 93	150	102½	103	−0½	−1½	8.56
Denmark Kgdm. 11¼ 89	100	107⅞	107⅞	−0¼	−0⅞	8.23
Denmark Kgdm. 11½ 90	100	109⅛	109⅝	−0⅛	−1½	8.64
Denmark Kgdm. 11½ 92	100	111⅞	112⅜	−0½	−2	8.75
EDC 8½ 92	100	100¼	100¾	−0½	−1⅛	8.38
EDF 10 95	225	106⅜	106⅞	−0⅝	−1⅛	8.90
EEC 8⅝ 91	150	101⅞	102⅛	−0⅛	−0⅞	8.13
EEC 9⅝ 90	350	104	104½	−0⅛	−1	8.35
EIB 10¼ 94	200	107⅜	107⅞	−0½	−1⅛	8.92
EIB 12 95	200	118⅝	119⅛	−0⅝	−1⅞	8.85
Eli Lilly 10¼ 92	250	108¼	108¾	−0⅞	−2¼	8.46
Equit. Lord Rlty. 10½ 97	100	†103¼	103¾	−0⅝	−1¼	9.94
Export Dev. Cpn. 10 90	100	105⅞	106⅜	−0½	−1⅛	8.14
Fed. Dep. Strs. 10⅛ 95	100	107½	108	−0⅝	−1⅛	8.84
Ford Motor Cred. 10½ 91	150	105⅛	105⅝	−0⅛	−2	9.18
Ford Motor Cred. 11⅛ 90	100	106⅞	107⅜	−0⅛	−0⅞	9.01
Gen. Elec. Cred. 10¼ 00	200	†104⅞	105⅜	+0⅛	+0½	9.57
GMAC 10¼ 89	200	104⅛	104⅝	−0⅛	−1⅛	8.57
GMAC 10¼ 92	250	105	105½	−0⅛	−1	9.13
IADB 9⅞ 95	200	107¼	107¾	−0½	−2	8.69
IADB 10½ 95	150	111¾	112¼	−0⅞	−1⅛	8.57
Kellogg Co. 10⅞ 90	100	105⅛	105⅝	−0½	−0⅞	8.99
Kellogg Co. 11¼ 92	100	†109	110	+1½	−0⅝	9.01
Nippon Cred. Bk. 10⅝ 95	150	110⅝	111⅛	−0⅛	−1¼	8.86
Pillsbury Co. 10¼ 93	100	104½	105	−0⅛	−2½	9.32
Proct. & Gamb. 'A' 9⅞ 92	150	103¼	103⅝	−0½	−1¼	9.15
Pru Realty Secs. 12⅛ 95	546	114⅛	114⅝	−1⅛	−2⅛	9.59
Qantas Airways 10⅞ 95	140	110⅝	111⅛	−0⅝	−1⅛	8.61
Queensland Govt. 10¼ 95	100	109⅞	110⅜	−0⅜	−0⅝	8.60
Ralston Purina 11¼ 95	150	111⅛	111⅞	−0⅝	−1⅛	9.74
Saab Scania 9½ 92	125	101⅞	102⅜	−0½	−1⅞	8.92
Saskatchewan 10⅛ 92	100	109⅞	110¼	−0½	−1⅛	8.47
Scandinavia Air. 10⅛ 95	150	106⅜	106⅞	−0⅝	−2	9.04
State Bk. S. Aust. 9¼ 93	100	†101⅛	102¼	−0⅛	−1¼	8.85
Statoil 10 90	170	104⅞	105⅛	−0½	−1⅞	8.48
S. Wales Trsy. 11¾ 90	150	110	110½	−0⅛	−1¼	8.58
Swed. Exp. Cred. 10 92	100	106⅞	107⅜	−0⅝	−1⅞	8.44
Sweden 8⅝ 96	200	101⅞	102⅛	−0⅛	−1⅝	8.42
Sweden 10¼ 92	250	108¼	108¾	−0⅛	−1¼	8.47
Sweden Kgdm. 10⅞ 90	200	108	108½	−0⅛	−1⅛	8.36
Sweden Kgdm. 11¼ 94	100	113⅝	114⅛	−0⅛	−1	9.32
Tenneco Cpn. 10⅞ 95	150	†103¼	103¾	−0⅝	−1¼	10.14
Utd. Tech. Fin. 10⅜ 95	100	*108½	109	−0⅛	−1⅛	9.38
Victorian Rep. 11⅝ 92	150	112⅝	113⅛	0	−0⅝	8.75
World Bank 9¼ 2016	300	104½	105	−1⅛	−2	8.79
World Bank 9⅞ 2016	300	107	107½	−1⅞	−1⅛	9.03
World Bank 10⅛ 95	300	110⅛	110⅝	−1¼	−1⅛	8.41

Average price changes on day −0⅝ on week −1½

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bank 8 94	200	107⅛	108⅛	−0⅛	−1⅛	6.71
Austrian Elec. Co. 6½ 95	150	99⅝	100⅝	−0½	−0⅝	6.49
Copenhagen 7⅜ 95	150	99⅝	100½	−0⅛	−1⅛	7.35
Dow Chemical 6¾ 95	300	103¼	104	−0⅛	0	6.22
EIB 6⅞ 95	300	103¼	104	−0⅛	−0⅝	6.34
EIB 7¼ 94	300	105¼	106	−0⅛	+0⅛	6.60
Emhart Corpn. 6¾ 95	175	101⅞	102⅜	−0⅛	0	6.45
Ex.-Im. Bk. Korea 7⅜ 90	100	101⅞	102⅜	+0⅛	0	7.11
Finland Republic 7 92	250	103⅝	104⅛	−0⅛	−0⅛	6.28
Gould Int. Fin. 7⅜ 91	100	103⅝	104⅛	+0⅛	+0⅛	6.71
Hoesch Int. Fin. 7 95	100	102⅜	103⅛	−0⅛	−0⅛	6.60
IBJ 5⅝ 96	200	*93½	94	−0½	+0½	6.30
Ireland 8⅛ 92	150	108	108¼	0	−0⅛	6.49
I/S Elsam 6¾ 95	125	100	100⅛	+0⅛	−0⅛	6.68
Japan Fin. Corpn. 7⅜ 92	100	104⅛	104⅝	+0⅛	−0⅛	6.54
Mitsubishi H. 3⅜ 89 WW	100	106⅝	107⅝	−0⅞	−3⅛	1.12
Mitsubishi H. 3⅜ 89 XW	100	89⅛	90½	−0⅛	−2⅝	6.38
Quebec Hydro 7⅛ 95	200	103¼	104	0	−0⅝	6.57
Renfe 7¼ 95	100	105	105¼	−0¼	+0⅝	6.95
Soc. Cent. Nucleair 7⅛ 95	150	102⅞	103⅝	+0⅛	−0⅛	6.76
Soc. Cent. *Nucleair* 8 91	100	105⅝	106⅛	−0⅝	−0½	6.57
S. African Tran. 7⅜ 92	100	96⅛	97⅜	−0⅛	0	8.34
World Bank 7 95	600	103⅝	104⅝	−0½	−0½	6.41

Average price changes on day −0⅛ on week −0⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Avon Cap. Corpn. 5¾ 94	130	†100½	100¾	0	+1½	5.28
Brit. Land Comp. 6½ 99	75	†105¼	105½	+0⅛	+0⅛	5.91
Chrysler 5¼ 96	140	†101½	101¾	−0½	−0⅛	5.53
Council of Europe 6 92	120	†105	105¼	+1½	−0⅝	5.05
Creditanstalt 5½ 94	100	†101	101¼	−0⅛	−0⅛	5.33
Deutsche Bank Fin. 5⅝ 95	100	*†105½	105¾	0	−0⅛	4.57
Gen. Occidentale 4½ 94	80	†120	120¼	+0½	+0⅛	2.93
Glendale Fed. S&L 5½ 95	100	†100	100⅛	−2½	−0⅛	5.48
Humana 5⅛ 98	120	†98½	98¾	−0⅛	−0½	5.28
Ind. F. Finland 5⅛ 94	40	*†101½	102	+1⅛	+1⅛	5.48
New Zealand Steel 5¼ 96	70	†100¼	101	−0⅛	−0⅛	5.43
Oberos. Kftwk. 5⅜ 95	100	†102	102¼	0	+1	5.06
Olivetti Intl. 5½ 95	100	†102	102¼	+0½	−0½	5.20
Pepsico 5⅛ 95	130	†102	102¼	−1½	−1	4.94
Philbro-Salomon 5⅛ 97	110	†103	103⅛	+1	+0½	4.77
Ralston Purina 5⅛ 94	125	†102¼	102½	−0⅛	−0⅛	5.02
Seibu Euro. 0 2001	100	—	—	—	—	—
Tokyo Elec. Pwr. 5½ 93	120	†105	105⅛	−0⅛	+0½	4.95
Tokyo Metropolis 5¾ 94	60	†101⅛	102	−0⅛	−0½	4.97
World Bank 5¾ 94	150	†103½	103¾	−0½	0	5.21

Average price changes on day — on week —

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amer. Exp. Os. Cr. 5⅞ 91	20	95⅞	96⅜	−0⅛	−1⅛	6.84
Denmark 6⅛ 96	10	100⅝	101⅛	−0½	−1⅛	6.26
Dow Chemical 6⅛ 01	25	96	96½	−0⅛	−1⅛	6.70
EIB 6⅛ 96	25	100¼	100⅝	−0⅛	−2⅛	6.05
Hydro-Quebec 6⅝ 94	10	99⅝	100⅛	−0⅛	−2	6.64

Average price changes on day −0⅝ on week −1⅞

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex. Ex. Os. Cr. 0 92 A$	100	54¾	55¼	0	−0⅛	12.00
Bremer Lndsbk. 10 91 A$	30	98⅝	99⅛	−0⅛	−1⅛	10.23
Fiat Finance 14½ 89 A$	50	102	102⅞	+0⅛	−1⅞	13.30
GMAC 12⅞ 89 A$	40	99½	100½	−0⅛	−1½	12.87
Landsbk. Rhein 13 89 A$	30	99	100	0	−0⅛	13.19
Canadian Pac. 10¼ 90 C$	75	103¼	103¾	−0½	+0⅛	9.33
Chrysler Fin. C. 9¼ 91 C$	75	96½	97	−0⅛	−1¼	10.90
Genstar Fin. 11¼ 95 C$	75	†105¼	105⅝	+0½	−0⅛	10.78
GMAC 9¼ 92 C$	75	98¼	98⅝	+0¼	0	9.42
Royal Trustco 10⅛ 90 C$	75	101¼	101⅝	+0⅛	+1⅛	9.95
Sears Acc. 10⅜ 92 C$	75	†104⅛	104⅝	+0⅛	−0⅛	9.45
Coca-Cola F. Cp. 17 90 NS	75	106⅞	107⅜	+0½	−1¼	14.53
Denmark 17½ 89 NS	50	†104½	105	0	0	15.17
Unilever Cap. 17½ 89 NS	50	102⅞	103⅞	+0⅛	−0⅛	16.05
Copenhagen City 9 95 Ecu	40	110	110½	−0⅞	0	7.45
EIB 8⅝ 93 Ecu	100	108⅛	108⅝	0	+0⅛	7.83
Walt Disney 8⅞ 94 Ecu	63	107⅞	108⅜	−0⅛	+1⅛	7.34
Honda Mtr. WW 3⅞ 90 Fl	100	109	109¾	−0¼	−0⅝	1.35
Honda Motor XW 3⅞ 90 Fl	100	92	92¾	0	0	6.17
Thyssen 7¼ 90 Fl	50	102⅝	103¼	−0⅛	−0⅛	6.41
Wereldhave 7½ 90 Fl	75	103¼	104¼	+0⅛	+0⅛	6.37
Wessanen 6¾ 90 Fl	50	101	101½	0	0	6.40
Trthse. Forte 8⅝ 91 FFr	400	99⅝	100⅛	0	−0⅛	8.82
Amev 11 95 £	50	†104½	105½	−1⅛	−0⅝	9.91
Australia Com. 11 92 £	40	106½	107	+0⅛	−0⅛	9.44
GMAC UK Fin. 10½ 90 £	30	103	103½	+0⅛	+0⅛	9.51
Imp. Chem. Inds. 11¼ 95 £	100	106¼	107⅛	−0⅛	−1½	10.09
Imp. Chem. Inds. 10¼ 92 £	75	103	103½	−0⅛	−0½	10.00
Invest. in Inds. Intl. 10 93 £	60	100½	101⅛	−0⅛	−1¼	9.82
Leeds Bld. Soc. 10½ 91 £	50	102	102⅛	−0⅛	+0⅛	9.86
McDonalds 10⅞ 90 £	40	103¼	104¼	−0½	−0⅞	9.41
MEPC 10¼ 2003 £	75	†97	97½	0	0	10.60
Nationwide BS 10¼ 93 £	75	100⅝	101⅛	0	−1	9.91
NSW Treasury 10⅝ 92 £	50	102⅞	103⅜	−0½	−0½	9.93
Royal Insce. 10⅞ 92 £	60	103¾	104¼	−0½	−0⅛	9.84
J. Sainsbury 10⅞ 93 £	60	103½	104⅛	−0⅛	−1½	10.03
Trthse. Forte 11⅛ 90 £	50	102⅞	103⅜	−0⅛	−0⅛	10.12
World Bank 11¼ 95 £	100	110	110½	−0⅛	−1	9.50
CoE 8⅞ 95 LFr	600	104⅛	105⅛	−1	−0⅛	8.00
Nat. Lx. Alum. 10½ 92 LFr	600	101	101⅞	+1⅛	−0½	10.16

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn
Anglia Bldg. Society 5 95 £	0⅛	99.89	99.99	14/7	10.44
Barclays Bank Perp. 1	0¼§	100.21	100.31	2/7	7⅝
Barclays Bank Perp. 2	0¼§	100.21	100.31	14/8	8⅛
Belgium, Kingdom of 91	0	100.68	100.78	19/8	8.06
BNP 5¼ 95	0.05	102.13	102.33	10/7	8.05
Britannia 5 93 £	0⅛	99.96	100.06	8/7	10⅞
CCF 5¼ 97	0	99.46	99.54	14/5	6.94
Citicorp 5 2005	0⅛	99.40	99.50	20/4	7.73
Credit Lyonnais 5 2000	0⅛	100.55	100.65	10/7	8.06
EEC 3 92 DM	0	100.08	100.18	20/6	4.44
EEC 5 90	0⅛	100.12	100.22	8/7	8.06
EEC 5¼ 93 Ecu	0.0312	99.89	99.99	30/4	7.91
Ireland 5¼ 97	0⅛	100.43	100.53	20/6	8⅛
Lloyds Bank Perp.	0⅛	100.35	100.45	9/6	8½
Midland Bank Perp. 5	0⅛	100.23	100.33	19/6	8⅛
Milk Marketg. Board 5 93 £	0⅛	99.85	99.95	17/6	12.31
NatWest Perp. A	0¼§	100.38	100.48	9/7	6.31
NatWest Perp. B	0¼§	100.39	100.49	9/8	8⅛
New Zealand 5 97 £	0.07	99.61	99.71	14/5	12⅞
New Zealand 5 2001	0	100.45	100.55	4/6	8⅛
Prudential Corpn. 4 95 £	0.1	99.63	99.73	5/6	12.35
Royal Bank Scotland 5 Perp.	0¼	100.33	100.23	11/6	8.44
United Kingdom 5 92	0	100.27	100.36	7/7	8.06
Woodside Financial 5¼ 97	0	99.96	100.06	28/7	8.19
Woolwich 5 95 £	0⅛	99.87	99.97	19/5	11.69

Average price changes on day +0.03 on week +0.05

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 3 99	4/84	1053	203¼	210	+6	7.91
Comcast 7 2000	12/85	23.87	†121½	122½	0	13.65
Fanuc 3⅞ 98	1/84	7052	225¾	227	+0⅛	64.14
Fuji Heavy Inds. 3 2000	8/85	676	109⅛	110⅛	+0⅛	−1.62
Fujitsu 3 99	5/84	1320	121½	122½	−0⅛	20.96
Kumagai Gumi 3½ 2000	3/85	600	*†239	240	−1½	11.00
Marui 3½ 99	7/84	1162	201½	202⅛	+0⅞	−1.28
Minolta Camera 2¼ 94 DM	2/86	1105	†105⅞	106⅞	+0⅛	36.59
Mitsubishi Bank 2⅞ 00	8/85	1768	119⅞	120⅞	+1	0.13
Mitsubishi Elec. 2⅞ 00	3/85	422	122½	123½	−0½	−1.99
Mitsui Bank 2⅞ 01	4/86	101.9	105⅝	106⅝	−0⅛	−90.36
Murata 3½ 2000	7/84	2798	157¼	158⅛	−0⅛	17.34
Nippon Elec. 2⅞ 2000	1/85	1295	169⅞	170⅞	−1⅞	90.88
Nippon Oil Co. 3 2000	8/85	923	190	191¾	+12¼	2.28
Oki Elec. Ind. 3½ 99	10/84	805	119⅛	120⅛	−0⅛	−2.29
Sanwa Bank 2¾ 00	10/85	1486	120¼	121¼	+0⅛	1.12
Sekisui House 3 99	6/84	612	250⅛	251⅛	0	−1.76
Sumitomo Bank 2⅞ 2000	8/85	2342	122⅞	123⅞	0	0.38
Sumitomo Corpn. 2⅞ 99	5/84	593	183⅛	184⅛	+0½	2.98
Taiyo Yuden 3¼ 2000	3/85	1078	†143	144	+1½	0.39
Tokyo Sanyo Elec. 3½ 99	12/84	772	†181	182	−14½	−7.50
Toshiba Ceramics 3 2000	4/85	1734	136½	137⅛	−0⅛	−1.29
Nippon Oil Co. 2⅛ 92 SFr	3/84	1052	†137	138	+5	7.55
Nippon Shinpan 2 92 SFr	3/84	801	†176½	177½	−2	22.49
Asics 5 92 DM	12/85	520	130	130¼	−2⅛	1.60
Renown 3⅛ 90 DM	3/85	675	140	141	+2	−1.84

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. *Spread=Margin above six-month offered rate* (‡ three-month; § above mean rate) for US dollars. C.cpn=The current coupon.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price *of acquiring shares via the bond over the most recent price of the* shares.

Japanese bank equity ratios revised

By Yoko Shibata in Tokyo

THE JAPANESE Ministry of Finance has released a final draft of new guidelines for the minimum equity ratios for all domestic banks. The move comes as part of the rapid deregulation of Japanese financial markets. It has been keenly awaited by major foreign banks, which claim that the lax approach towards equity-to-asset ratios in Japan has given domestic banks an unfair advantage in international tending.

Equity ratio at end-March 1985	Deposits + CDs %	Total assets %
City banks	3.3	2.4
Long-Term Credit Bank	3.1	2.5
Trust banks	5.3	2.7
Regional banks	4.8	4.1
Mutual banks	4.0	3.3
Credit associations	5.6	4.6

The new guidelines will require all banks, from commercial banks to credit associations, to achieve equity-to-asset ratios of at least 4 per cent within five years. Currently commercial banks' average equity ratios (net worth/deposits) plus certificates of deposits) are 3.3 per cent.

In the past the MoF guidelines called on banks to maintain equity ratios of around 10 per cent. Most banks considered this figure unattainable, and as a result, did not pay serious attention to it. The new goal of 4 per cent, in part, reflects the more pragmatic approach of the ministry

At the same time, the new guidelines will redefine the terms of Japan's equity-to-asset ratio in order to take into account recent *changes* in banks' fund-raising practices. For example, the denominator in the calculation has been *changed from* "deposits plus CDs" to "total assets." As this will make the denominator larger, it will make the 4 per cent target slightly more difficult to achieve.

Nonetheless, a MoF official said that although the guidelines are aimed at banks' proper administration and sound management, failure to attain the target will not result in a penalty.

The new *equity-to-asset* ratio of 4 per cent is still below the evolving *international standard* of around 6 per cent. The new *guidelines* will, however, call upon Japanese banks with overseas branches to achieve a 6 per cent equity-to-asset ratio.

They will have until 1987 to achieve this target and will be able to add 70 per cent of the latent profits held in their securities portfolios to the equity side of the equation. These latent profits, or hidden reserves, are the difference between the current market value and the historic value of banks' securities.

As for the question of whether the inclusion of hidden reserves in net worth is internationally acceptable, the MoF said: "*Actually* the hidden reserves have been supporting Japanese banks' creditworthiness and the international banking community would *surely* find the inclusion of hidden reserves acceptable."

Concerning dividend payments, the new guidelines will retain the current payout ratio limit, which stipulates that banks' dividends must be limited to 40 per cent of profits in any given period. The restriction on the dividend rate, now limited to 15 per cent of the par value of the shares, will be dropped.

In addition, the ministry will ask the banks to *report* periodically their assets on a consolidated basis including overseas subsidiaries. It has become difficult to *grasp* the actual state of Japanese banks' finances by monitoring their activities on an unconsolidated basis because their overseas subsidiaries have grown in number from 76 at the end of 1980 to 161 at the end of last month.

N AMERICAN QUARTERLIES

CAMPBELL SOUP
Canned soups, convenience foods

Third quarter	1985-86 $	1984-85 $
Revenue	1.09bn	1.02bn
Net profits	51.0m	51.6m
Net per share	0.79	0.80
Nine months		
Revenue	3.35bn	3.08bn
Net profits	175.5m	158.4m
Net per share	2.71	2.45

MERCANTILE STORES

First quarter	1986 $	1985 $
Revenue	416.0m	382.6m
Net profits	21.6m	17.6m
Net per share	1.46	1.19

NVF
Specialty steel producer

First quarter	1986 $	1985 $
Revenue	276.9m	312.9m
Net profits	†17.5m	†28.4m
Op. net per share	†0.40	†0.30

SEA CONTAINERS
Transportation

First quarter	1986 $	1985 $
Revenue	112.4m	102.6m
Net profits	†22.1m	†2.5m
Net per share	†2.37	†0.61

ZALE
Jewellery retailer

Fourth quarter	1985-86 $	1984-85 $
Revenue	197.5m	179.4m
Net profits	†92.2m	998,000
Net per share	†7.39	0.07
Year		
Revenue	1.12bn	1.05bn
Net profits	†61.1m	38.8m
Net per share	†4.97	3.20

† Loss

Amid the parties, bond dealers have serious matters to discuss

AIBD weighs up automated trading

BY ALEXANDER NICOLL IN SINGAPORE

THE EUROBOND market has plenty to celebrate as it descends on Singapore today for the annual meeting of the Association of International Bond Dealers (AIBD). But it also faces debates, the outcome of which will be crucial to an orderly future.

The *occasion has traditionally* been just as important as a social event, *where participants* in a far-flung, bruising market can relax and get to know one another, as one providing a forum for serious discussion. And as dealers and syndicate managers hop taxis between parties, they will feel well pleased with events since last year's meeting in Helsinki.

Falling interest rates, the trend towards securitisation of lending, and increasing use of swaps and other innovative techniques, have produced record new *issue and trading* volumes. The $134bn of new paper last year expanded the total amount of Eurobonds in issue to $430bn, a four-fold increase in five years. This year's pace seems set to produce another record. Trading turnover ballooned to $2,200bn in 1985, approaching 10 times its 1980 level.

Though competition in the new issue market remains extremely tough, the inexorable rise in prices has allowed most underwriters of over-aggressively priced paper eventually to trade out of thin positions at a profit. True, the volatility has brought its own problems — the correct relationship of new Eurobond issues to US Treasury issues has, for example, become much more difficult for issue managers to judge — but the bull market has meant good business for most. Strong equity markets have also helped Eurobond houses to apply their distribution skills to share issues.

For the AIBD itself, it has been a year of advance. Membership, which remained almost static in 1984, swelled by 102 to 809 firms in 1985. AIBD members, *facing the sudden requirement last summer to provide a self-regulatory structure for securities trading in London* took the lead in forming a new body, the International Securities Regulatory Organisation (ISRO). ISRO has an regulatory role yet, but has already won some important lobbying victories as new UK legislation has been shaped.

These developments have meant that changes to the AIBD's own organisational struture, which take effect this week on the election of a new board with *expanded rule-making* powers, have proved even more *timely* than could have been foreseen when they were *approved* in Helsinki.

Mr Damien Wigny, who steps down from the board after four years as chairman, says in a report to AIBD members: "We find ourselves facing strong deregulatory moves in local markets on the one hand, and equally strong investor protection-motivated regulation on the other hand." He is an executive director of Kredietbank Luxembourgeoise.

The AIBD is due to become a recognised investment exchange in Britain's *new regulatory* structure, underlining its transition from a trade association to a much more formalised body organising and providing services to its market.

Though the precise duties of such an exchange *have* yet to be set, they will include the provision of accurate and up-to-date last-trade information. To this end, the AIBD has makers' committee, which is due to compile a register of about 80 "reporting dealers." Each of these will be expected to tell the AIBD the price of each trade.

Beyond this, however, trading methods in the Eurobond

Mr Damien Wigny, relinquishing the AIBD chairmanship after four years

established a secondary market-market are the subject of discussions which are likely to provide the most important debate at the Singapore conference. It will centre around the AIBD board's proposal of a *far-reaching study* on an automated quotation and trading system. *Though few would* dispute the virtues of the principle, there is far less certainty about exactly what functions the system should perform.

The Board's plan for which it is seeking a special levy, *involves* close co-operation with the US National Association of Securities Dealers, which operates the NASDAQ automated quotation system for equities. Initially, a study of the NASD's system was *intended* to produce a screen service showing last-trade information; limited price data and an automatic execution system for small orders.

The new proposal is far more ambitious. *At issue is* whether Eurobond dealers should insert prices *on the screen*, be identified as making them and be committed to honouring them for specified lot sizes. If this were done, it would parallel NASDAQ's "Level 2" screens rather *than the more* limited "Level 1," on which the best price is *given* without identifying the market-maker *giving it*.

The board is clearly enthusiastic about a *Level 2 system. In* a pamphlet prepared for members *in support* of its proposals, the board says it is convinced that "*a system* can only be workable if there is *identification combined* with a certain minimum commitment. *In addition*, the board feels that the system should be able to combine easy identification of the best quote with simplified connection to the clearing systems.

The AIBD's secondary market makers appear more cautious. Their committee voted unanimously at the end of February that the AIBD should for the moment go no further than last-trade data and anonymous quotes. "The committee suggests that for the time being no consideration be given to a screen showing quotes of particular market makers *and their* size commitment." In the longer term, it said, it would consider a system *identifying dealers on a small list of bonds* "with some commitment on price and size *for automatic execution.*"

Greek loan passes test with flying colours

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

THE *LATEST* Eurocredit for Greece has been increased by *$70m* to $370m following heavy demand in syndication, *especially from European and Middle* Eastern banks.

Altogether $284m was raised from the market in general syndication, leaving the arranging banks to take up the balance. Bankers said that this result means that Greece has passed with flying colours its first test of the market since it was forced to seek financial *assistance from the EEC late* last year.

Among factors contributing to the eight-year loan's success was its ⅞ per centage points interest margin over Libor, the London interbank offered rate for Eurocurrency deposits. This is well above the level at which other European countries raise money and proved attractive to banks.

Market expectations last night were that *Greece could now* return to the market on more aggressive terms—officials have already said they will be seeking funds later this year for state sector companies such as OTE, the telecommunications authority and the Public Power Corporation.

However, a question mark still hangs over the willingness of *Japanese* banks *to lend to* Greece. They took only 23 per *cent of the latest loan* and many have said they are close to the lending limits for the country.

Bankers say this caution could be reversed given the success of the new deal, especially if Greece can continue to report an improving financial and economic outlook. Also less enthusiastic on the latest loan were US banks

UK COMPANY NEWS

Guinness Peat boosted by Britannia disposal

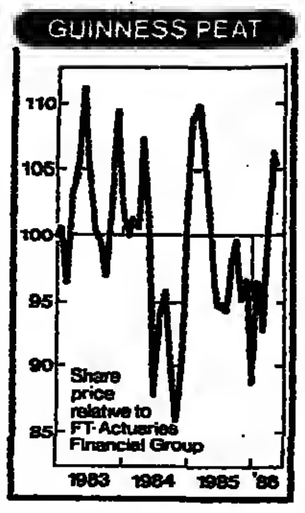
Guinness Peat Group yesterday reported a surge from £6.81m to £9.42m in interim taxable profits, with insurance broking, investment banking and related companies all returning results in line with expectations.

In addition, retained profits for the six months to end-March 1986 were boosted from £2.48m to £10.02m by a £4.61m extraordinary credit (debit £637,000), which mainly reflected the sale of the group's holding in Britannia Arrow Holdings.

Besides this disposal, the period was also dominated by other developments of a capital nature; a further £7m of subordinated convertible unsecured loan stock was issued; GPA Group, an associate, tripled its capital base by issuing $125m in convertible preferred shares; and Mitsubishi group of companies bought a stake in GPA from GECC (equal in size to the group's) for $56.5m — a valuation of over $30m more than the carrying value on the Guinness balance sheet.

Given the terms of GPA's new issue, Guinness expects to continue to equity account for GPA for several years.

Since the end of the half-year, Guinness has issued £25m of unsecured notes which, together with property realisations, has injected about £100m of cash into the group so far this year.



The interim dividend is being raised from 0.8p to 0.9p. Last year's final was 1.1p with taxable profits at £17.58m.

Guinness expects a satisfactory second half with dividends continuing to increase and further progress in broadening the range of profitable operations.

● comment

As takeover bids go Guinness Peat's bid for Britannia Arrow was spectacularly unsuccessful. Nonetheless the fruits of its shortlived shareholding did produce £9m after expenses and before tax for these results. Indeed, bid profiteering apart, Guinness Peat's first half performance was predictably pedestrian. The company has been characteristically uncommunicative about the performance of individual divisions leaving analysts to conclude that aviation fared well—although its contribution was diluted by the dollar exchange rate—while investment banking and insurance were relatively lack lustre. Insurance, however, is notoriously cyclical and a buoyant second half should boost profits to £22m for the year as a whole producing a p/e of 13 on yesterday's share price, which rose by 1p to 93p. Thus far Guinness Peat's diversification strategy has confounded the City. The company expressed its intention to steer clear of the areas of intense competition after Big Bang one minute and announced the acquisition of Henderson Crosthwaite the next. Its sights are now set on the retail financial services sphere, however, discussions have already begun with a US fund manager and Guinness Peat will then turn to fund management in the UK.

RFD agrees to £27m bid by Scapa

By Martin Dickson

Scapar Group, the industrial holding company, yesterday announced an agreed £26.6m takeover bid for RFD Group, the textiles and parachute manufacturer which has been fighting a hostile £25m bid from Wardle Storeys, the plastic sheeting business.

Scapa, which supplies specialist technical products to industry, including textiles, made clear that it was mainly interested in acquiring RFD's textiles division and would be discussing the possibility of a management buy-out of the other parts of the business.

It said the RFD's textiles division would benefit from Scapa's international presence, together with its wider involvement in technical and industrial textiles.

Scapa accompanied the offer with an estimate that its pre-tax profits in the year to March 31 were at least £29m, compared to £27.4m the previous year, with a final dividend of not less than 5.1p a share, making a total of not less than 12.1p, up 10 per cent.

Scapa, advised by J. Henry Schroder Wagg, is offering one of its shares plus 523p in cash for every five RFD shares. The new shares will not qualify for Scapa's final dividend.

Savoy urges rejection of THF move

By Martin Dickson

A BATTLE between the board of the Savoy Hotel group and Trusthouse Forte, its largest shareholder, intensified yesterday when the board urged shareholders to reject THF's attempt to block a resolution at next week's AGM.

The resolution would allow the board to issue £500,000 nominal in new shares. This could substantially dilute THF's stake in the Savoy group, which it has long wanted to acquire.

THF has been thwarted by the Savoy's complicated shareholding structure, which gives it 69 per cent of the shares but only 42.5 per cent of the votes.

The Savoy said yesterday that the new shares would give the comany a valuable flexibility to acquire additional assets. The directors believed "it would be quite wrong for the company not to have the usual powers in this respect, simply so that THF can maintain its present percentage shareholding."

They said it was their policy to manage the company in the best interests of all shareholders and not let its development be affected by the ambitions of THF.

Tops Estates

Tops Estates has a full stock market listing, not one on the USM as stated in yesterday's FT.

Wedgwood claims 'far superior' earnings record

BY DAVID GOODHART

Wedgwood, the 225-year-old pottery and china maker which is fighting a £145m hostile bid from the London International Group, yesterday said in its defence document that its record on earnings per share over the past five years was far superior to LIG.

Over that period Wedgwood's earning rose by 104 per cent while LIG's rose by only 55 per cent. Sir Arthur Bryan, the chairman, also said that pre-tax profits for the year to March 29 mark another record and described a brokers estimate of £17m as "conservative." A final dividend of not less than 4.5p per share has been proposed by the directors for 1986.

Sir Arthur writes to shareholders: "We have built up a substantial asset base which was further strengthened by the £14m rights issue in November 1985. These funds are being used to help finance a major capital expenditure programme which will maintain Wedgwood's position as one of the most technologically advanced and efficient producers in the international tableware industry."

He advised shareholders not to swap Wedgwood for shares in a company "consisting of a mishmash of businesses ranging from contraceptives to electrical appliances."

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
A & P Appledore ...int	2	Aug 22	2	—	6
J. Bibby ....int	2.75†	July 7	1	—	5¶
Bridgend Group	0.35	—	Nil	0.35	Nil
Brit & American Film	3.6	June 18	3.21	5.3	4.73
Business Mortgages ...	0.76	July 31	—	1.51	—
Country & New Town	1.3	Aug 4	1	1.9	1.5
Cramphorn ....int	1.67‡	June 27	1.67	—	5.17
Fine Art	2.8†	July 4	2.1	4	3.2
Guinness Peat ......int	0.9	July 7	0.8	—	1.9
Lendn Holdings	0.75	June 30	1	0.75	1
Majedie Inv ....int	2	July 4	0.95‖	—	5.2
Miles 33	3‡	—	2.75	3	2.75
RHM ....int	2.12	July 11	1.84	—	5.29
J. Sainsbury	3.85	July 18	3.1	5.5	4.5
Spectra Automotive ...	1.68‡	—	1.53	2.5	2.28
Tunstall Group ......int	0.8	July 31	0.7	—	1.65

Dividends shown in pence per share except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ For nine months to Sept 1985. ‖ Special interim for three month period.

Waddington in friendly talks

John Waddington, the paper and packaging group, is understood to be in friendly talks with Metal Closures which makes metal and plastic caps, with the aim of launching an agreed takeover of close to £40m.

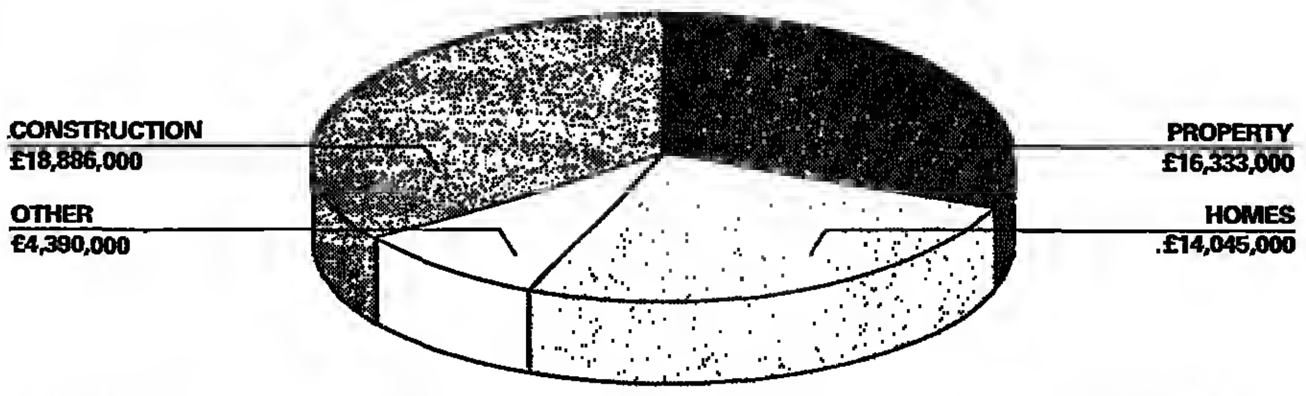
Closures' share price has been rising strongly since late March when it reported a 45 per cent fall in pre-tax profits to £3.9m. Last night the price was 183p compared to 135p immediately after the profits announcement, outperforming the market by around 50 per cent.

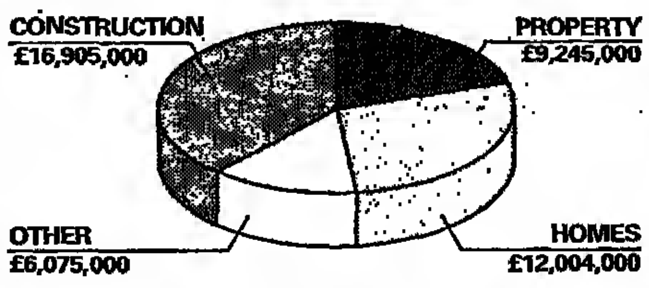
Yesterday Mr David Perry, Waddington's managing director, refused to comment on a possible takeover although he is known to be keen to expand Waddington's plastic and packaging activities.

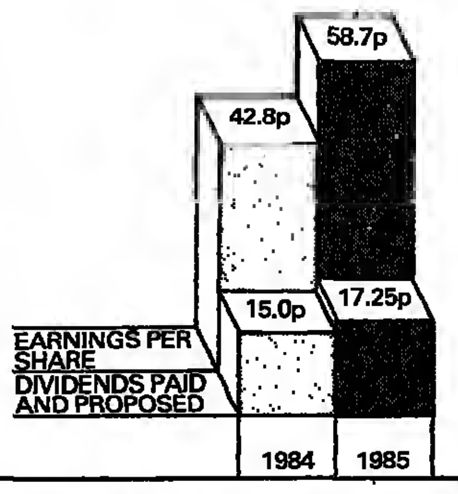
Coloroll/Staffs

Coloroll, the home furnishings group which on Monday announced the acquisition of Biltons the earthenware tableware group, is keeping up the pressure on its previous bid target Staffordshire Potteries.

It announced yesterday that it had taken its ordinary share stake in Staffordshire up nearly 6 per cent to the maximum allowable 29.9 per cent. It also owns or has pledges for 75 per cent of Staffordshire's preference shares.







High	Low	Company	Price	Change	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
146	118	Ass. Brit. Ind. Ord. ...	131	—	7.3	5.8	8.0	7.5
151	121	Ass. Brit. Ind. CULS...	136	—	10.0	7.4	—	—
83	43	Airsprung Group	83	—	8.4	7.7	13.8	18.0
46	29	Armitage and Rhodes...	29	—	4.3	14.8	3.3	4.3
177	108	Bardon Hill	172	+ 1	4.0	2.3	21.8	22.3
68	42	Bray Technologies	66xd	+ 1	4.3	6.5	7.3	7.2
201	85	CCL Ordinary	85	—	12.0	14.1	2.1	2.0
152	93	CCL 11pc Conv. Pf. ...	93	—	15.7	16.8	—	—
150	80	Carborundum Ord.......	147xd	+ 1	8.1	5.2	7.1	7.3
94	83	Carborundum 7.5pc Pf.	92	—	10.7	11.8	—	—
65	46	Deborah Services	56	+ 1	7.0	12.5	5.8	7.7
32	20	Frederick Parker Group	23	—	—	—	—	—
112	50	George Blair	110	—	—	—	4.5	8.1
68	20	Ind. Precision Castings	58	—	3.0	5.2	13.3	12.8
218	156	Isis Group	158	—	15.0	9.8	12.0	17.8
122	101	Jackson Group	118	—	5.5	4.6	8.0	8.0
345	228	James Burrough	321	− 2	15.0	4.7	10.1	10.1
99	85	James Burrough 8pcPf.	98	—	12.6	13.2	—	—
95	56	John Howard Group ...	56xd	—	5.0	8.9	—	—
1385	570	Minihouse Holding NV	1175xd	—	8.7	0.7	38.8	48.0
320	260	Record Ridgway Ord....	320	—	—	—	5.7	9.9
100	100	Record Ridgway 10pcPf	100	—	14.1	14.1	—	—
82	32	Robert Jenkins	70	+ 1	—	—	9.1	20.0
34	28	Scruttons "A"	30	—	—	—	—	7.7
87	85	Torday and Carlisle ...	70	—	6.0	7.1	3.6	6.4
370	320	Trevian Holdings	320	—	7.8	2.5	8.7	8.8
57	25	Unilock Holdings	55	—	2.1	3.8	14.8	14.6
175	93	Walter Alexander	170	—	8.5	5.1	9.8	11.7
228	190	W. S. Yeates	190	—	17.4	8.2	5.4	8.3

UK COMPANY NEWS

Sainsbury surges 23% to £193m

J. Sainsbury, Britain's largest food and drinks supermarkets chain, has exceeded City forecasts with a 23 per cent increase from £156.4m to £192.7m in full year taxable profits.

Net retail profit margins improved from just over 5 per cent to 5.45 per cent on sales ahead by nearly £440m to £3.58bn. Taxable profits were struck after profit sharing payments of £15.8m (£12.1m).

During the year to March 22 1986 Sainsbury operated from 263 (253) supermarkets, while homebase stores were increased by five to 28; Savacentre stores remained at six but total small stores were reduced to 17 (18).

Improvements in efficiency through new systems in distribution and in the stores have helped productivity rise to a record level and produced the best annual improvement for seven years. Electronic scanners are now being installed in all the larger stores.

Earnings per 25p share improved to 18.23p (15.61p) after tax of £65.4m (£48m), and the final dividend has been raised to 3.85p (3.1p) for a higher 5.5p (4.5p) total.

Average weekly supermarket sales per square foot improved from £14.27 to £14.87 and Sainsbury's share of national trade in food and drink shops, based on DTI data, rose from 8.7 per cent to 9.1 per cent.

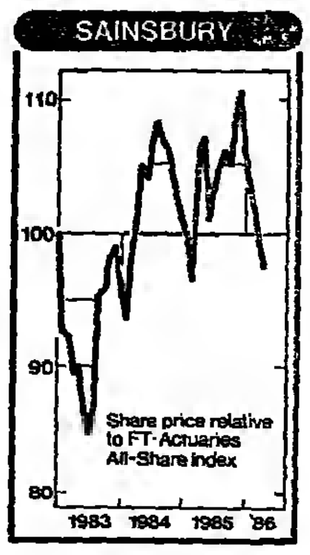
The company says that the rise in supermarket sales of £417m represents real volume growth of over 9 per cent, similar to the level of the past two years. Homebase sales advanced by £23m to £87m.

Haverbill Meat Products, an associate, achieved a substantial turn round, while SavaCentre lifted sales by 18 per cent to £279m and a 30 per cent rise in profit to £12.6m. Shaw's, the US associate, also had a good year with profits before tax and property sales up by 24 per cent to $25m.

Annual investment income exceeded £240m of which 78 per cent was devoted to site acquisition and supermarket development. The average size of the 15 new supermarkets opened during the year was the largest ever at over 27,000 sq ft sales area.

Openings for supermarkets last year added 411,410 sq ft of sales area, and projected openings this year will add a further 431,320 sq ft. Five Homebase stores with a total 225,140 sq ft sales area were opened last year and another six with a total 254,530 sq ft of sales area are planned for 1986-1987.

See Lex



Flotation values Evans Halshaw at £17m

BY LUCY KELLAWAY

Evans Halshaw, automotive distributor, is being floated on the stock market with a value of £17m eighteen months after the company was bought out by its management for £9m.

Previously a subsidiary of LCP, the West Midlands industrial group, the company was three divisions — a multi-franchise chain of car dealerships, a distributor of car parts, and a contract hire company.

The largest is the motor dealerships, which consists of seventeen outlets with franchises for Ford, General Motors, BL, Jaguar, Daimler and Rolls Royce Bentley, it was built up by acquisition since 1971. The other two divisions have been part of the company since 1979.

Following the buy-out, the directors owned 70 per cent of the shares, with the rest owned by Barclays Development Capital. Barclays will be selling the majority of its stake in the offer for sale, while the directors will retain a 44 per cent interest.

More than 60 per cent of the 7.2m shares being offered by Phillips & Drew are being sold to raise £5.5m. This will be used to repay part of the £8m of borrowings created at the time of the buy-out.

The company's trading performance shows three years of flat performance to 1983 caused by the recession in the motor trade followed by three years of growth. In the year to 1985 trading profits were £3.8m (£2.8m) on sales of £152m (£140m). Profit before tax was almost unchanged at £2.2m because of an extra £1m in interest costs on the borrowings used to finance the buy-out.

At the offer price of 120p the shares are being sold on a historic p/e ratio of 8 after a 24 per cent tax charge. The yield is 6.8 per cent.

The application lists open on May 28, and dealings start on June 3.

● comment

Phillips and Drew are taking no risks in pricing Evans Halshaw. The shares are backed by assets worth nearly £1 a share, have a generous yield and are being offered at rating lower than others in the sector. However, if the company looks fairly cheap now, it is nothing compared to the price at which the managers bought it less than two years ago, in a deal for which LCP may now be kicking itself. Since then the whole sector has been re-rated, and Evans Halshaw has shown itself capable of making the best of a happy industry background. The company has no shortage of ideas for future expansion to strengthen its three central operations, and to branch out into related areas within the motor industry. The management is retaining a large enough stake in the business to induce it to put its ideas into practice.

Bibby benefits from packaging purchase

J. Bibby & Sons, enlarged by the acquisition last year of Connecticut-based Princeton Packaging, raised its first half profits by 27 per cent and is confident of further good progress for the year as a whole.

The major source of the £4.36m profits improvement to £20.32m pre-tax came from Princeton, although chairman Mr Bas Kardol says the other three divisions in aggregate also improved their trading performance.

The half year to March 29 1986 saw group turnover surge from £203.26m to £269.57m and the trading surplus advance by £4.8m to £22.24m.

The surplus by division broke down as to industrial £6.42m (£6.02m), agriculture £7.76m (same), distribution £3.38m (£3.65m) and packaging (Princeton) £4.68m (nil).

Bibby, itself, was acquired for £274m in October 1984 by Barlow Rand, South Africa's largest industrial company.

Tax for the half year took £7.72m (£6.33m) to leave net profits £2.97m ahead at £12.6m. Earnings totalled 11.04p (9.08p) and the interim dividend is being increased to 2.75p (1p) on the enlarged share capital, partly to reduce disparity.

The overall result was well up to directors' expectations although the weak dollar adversely affected translation to sterling.

● comment

Acquiring Princeton Packaging was one of the best things that ever happened to Bibby. Princeton produced all the profits growth in the first half of the year and — given that its performance was scuppered by a three month long strike in Californian supermarkets — should fare even better in the second. Princeton apart, stringent cost cutting has catalysed an improvement in margins within the indstrial division, while the agricultural group's growth was disguised by comparison with an artifically strong performance in the corresponding period last year. The distribution division, however, was hindered by adverse curency exchange, which erased £250,000 from these results and its rationalisation programme has yet to take effect. With the prospect of an improved performance from Princeton and the benefits of cost cutting filtering through, the City expects profits of £35m and a p/e of 16.5 for the full year on yesterday's share price, which rose by 5p to 315p. Bouyed by a strong cash flow and Barlow Rand's willingness to reduce its shareholding Bibby is now in a position to diversify again, and to spend as much as £100m on the "right" company . . . in existing areas such as packaging or scientific equipment,, or to establish a fifth area of activity, possibly within the chemicals industry.

Haden in disposal talks with BICC

By Martin Dickson

Haden, the electrical and mechanical engineer which mounted a £56m management buy-out just 10 months ago, is in advanced negotiations to sell about half of the group —its building services division—to BICC, the cables, construction and components group.

Last year's buy-out made City history in that it was the first ever buy-out of a quoted British company and took place as a defence against a hostile £37m takeover bid mounted for the group by Trafalgar House.

Haden's building services division carries out the design and construction of mechanical and electrical services for buildings and industrial process projects.

It includes Haden Young, the major UK contractor, subsidiaries in Australia and Hong Kong and a 49 per cent stake in Carrier Distribution.

If a deal goes through, Haden will be reduced to an industrial finishing and automated materials handling business based mainly in the US, where its Haden Schweitzer subsidiary builds paint finishing systems, particularly for the car industry.

The likely price of the building services division was not revealed yesterday, though the institutional shareholders who backed last year's buy-out expect they would make a reasonable profit on the investment.

Haden, which is advised by J. Henry Schroder Wagg, recently announced 1985 profits of £12m (£3m) on turnover of £344m (£308m).

Sugar sells 5m of his Amstrad shares

By Alice Rawsthorn

MR Alan Sugar, chairman and chief executive of Amstrad Consumer Electronics, sold 5m shares—5 per cent—of the company's equity yesterday, raising £25.7m which will be channelled into a general investment portfolio.

...Amstrad's stockbrokers, W. Greenwell, placed all the shares by 11 am with institutional investors, some with existing stakes in Amstrad, others new to the company. The shares were sold for around 520p, each, compared with Amstrad's quoted price of 542p which fell by 23p yesterday.

Mr Sugar intends to invest the capital generated by the sale in a general investment portfolio. He does not, however, intend to invest in new companies, nor to play an active role in the management of any of the investments.

"It seemed to me to be about time that I reduced my holding in Amstrad in order to develop my interests outside the company," he said. "But Amstrad will still absorb all my management attention."

He now holds a 45.4 per cent stake in Amstrad which is valued, at yesterday's share price at around £280m.

RHM profits rise 10% to £40m at midway

Ranks Hovis McDougall, the food manufacturer and miller which is the UK's second largest bread baker, yesterday reported interim results for the 1985-86 year of £40.2m pre-tax—nearly 10 per cent up on the comparable figure of £36.7m and in line with analysts' expectations.

The bread bakeries division, which last time incurred a loss and extraordinary closure costs, "continued to improve its results as the expected benefits of rationalisation and the heavy investment of recent years took increasing effect," Sir Peter Reynolds, the chairman, said yesterday.

On the outlook, Sir Peter says that the group has made a good start to the current half, and he expects the year as a whole to be satisfactory. Last year the pre-tax profit of £71.5m was a record, and 41 per cent ahead.

Group external sales rose from £655.4m to £698.2m in the half year ended March 1, 1986. The chairman says that the packaged cake and grocery businesses improved profits, as did the general products division, which takes in the expanding restaurant and retail catering outlets. He described results from the cereals division — which is the vehicle for the group's flour milling — as "satisfactory," given the effects of last year's poor UK wheat harvest.

Operating profits overseas were up on last year, but were significantly reduced by adverse exchange rate movements. In the US profits were substantially ahead, but in the Far East and Australasia the outcome was static.

The comparables have been restated to reflect average rather than end year exchange rates.

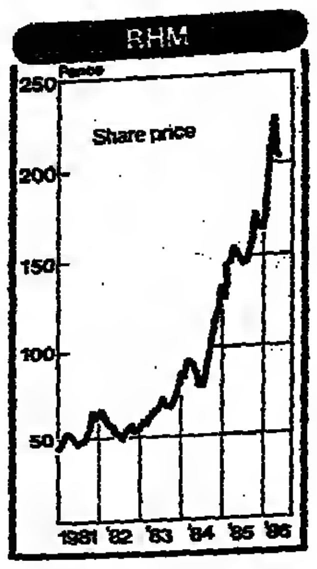
Interim earnings per share rose from 8p to 9.5p after a lower tax charge at £11.[illegible] (£12.2m). The dividend is raised from 1.84p to 2.12p.

The interest charge for the period was up at £4.2m ([illegible]) reflecting the high cost of wheat stocks.

In the bakery division, new bread products introduced since last September include a thick cut version of the Windmill Bakery wholemeal loaf, the mini-Hovis loaf and a large Hovis malted wheatgrain loaf. All achieved their targeted sales volumes, says the chairman.

He adds that last year's advertising campaign for Windmill brown bread products has assisted the brand to achieve leadership in this "important and growing sector of the bread market."

See Lex



Reorganisation boosts Fine Art

Fine Art Developments, the Staffordshire-based greetings card publisher, is already reaping the benefits of the reorganisation initiated last year.

The measures, which led to tighter cost control and a reduction in loss-making activities, showed through in the group's results for the year to March 31 1986 with profits up by £2.9m to £10.1m at the pre-tax level.

The directors say the current year should see further benefits accrue from both the reorganisation and improvements to the merchandise.

They are continuing to look for opportunities for expansion and in all, view the future with optimism and confidence.

For the past year, turnover surged from £118.87m to £139.08m. Below the line there was an extraordinary credit of £4.78m arising from the sale of Early Learning.

Earnings emerged at 11.16p (6.94p), and a final dividend of 2.8p (2.1p) lifts the total from 3.2p to 4p net per 5p share.

Shareholders are told that sales of both greetings cards and general merchandise responded to better design and presentation which widened the group's customer base.

During the 12 months, Castle Publishing and Club Centre of Leeds were acquired and since year-end, Venture Marketing, a specialist direct mail order company, has been purchased.

● comment

There is a touch of irony in Fine Art Developments' rapidly increasing exposure to High Street retailing. Only a year ago the group disappointed the market by selling the fast-growing Early Learning chain to John Menzies, saying it wanted to concentrate on the mail order and greetings cards businesses it knew best: now it is opening up Giftree and Papertree shops at a rate of knots and retailing has suddenly become a vital part of its long-term growth strategy. The market, however, can be a forgiving animal, and there were certainly no hard feelings when Fine Art's price shot up 16p to 156p yesterday. Fine Art is secretive about where it gets its money from and it is hard to tell exactly how much of the pre-tax figure is attributable to rationalisation and recovery and how much to real growth, but it is hard to see the group falling short of £13.5m this year. At that level, a tax charge of 35 per cent would put the shares on a prospective p/e ratio of 12½p, still leaving something to go for in the absence of an imminent slump in consumer spending.

Benford record under fire

BM Group, the construction industry supplier controlled by C. H. Beazer, yesterday attacked the track record of Benford Concrete Machinery, the concrete mixer manufacturer for which it has made a first and final £19m offer.

BM said in its formal offer document that since 1981 Benford's pre-tax profits had fallen 55.6 per cent to £12. m7in 1985 andw its earnings per share had dropped by 55.7 per cent over the same period. It described this performance as dismal and appalling.

Mr Roger Shute, BM's chief executive, describing the offer document as low-key, said that BM's pre tax profits had risen from £60,000 in 1982 to £1.1m in 1985. In 1984, BM became a subsidiary of Beazer when the housebuilder's engineering interests were reversed into BM.

Noble and Lund buys Kwiklok

Noble and Lund, the Gateshead-based machine tool company recently taken over by the unlisted Galgey Technical Industries, is buying Kwiklok, the private furniture company

Unaudited figures for the 12 months to December 31, 1985 show a profit of £196,000 for Kkiklok on a turnover of £8.8m.

Noble is issuing 3m new shares, which at yesterday's closing price, 120p down 4p, values Kwiklok at £3.6m.

The Kwiklok shareholders will initially receive 1.25m shares with a further 1.75m shares if the audited pre-tax profits for either 1985 or 1987 exceed £250,000.

Alcan in £30m debenture issue

British Alcan Aluminium, the wholly owned subsidiary of Alcan Aluminium of Canada, is to raise £30m via an issue of debenture stock 2011, to be placed at a yield of 1.3 per cent over Treasury 13½ per cent 2004/2008 stock.

The company has invested some £29m in new plant and machinery in the UK over the past two years, and the proceeds of the current issue will be used to refinance this at a longer term rate. It has been underwritten by Morgan Grenfell, and brokers are Cazenove.

York Waterworks

York Waterworks Company has issued a £2m medium-dated debenture stock. Details of the issue are being advertised today and dealings start, £10 paid, tomorrow at 2 pm. The balance (90 per cent) is payable on June 26.

هكذا من الأصل

UK COMPANY NEWS

Tunstall profits increase nearly 33% to £2.3m

Tunstall Group, the maker of emergency communications equipment and burglar alarms, has increased interim taxable profits by nearly 33 per cent to £2.32m on turnover ahead from £9.8m to £12.1m.

Earnings per 5p share rose by 2.1p to 8.8p and the interim dividend has been lifted by 0.1p to 0.8p.

Mr Michael Dawson, chairman, says that Tunstall Telecom continues to expand, benefiting from recent expenditure on new product development. "Piper Lifeline sales to our public sector customers are running at an excellent level and we continue to sell the other elements in the Piper range in increasing volumes," he says.

The budgeted trading target for Tunstall Security was achieved and progress has been maintained.

Profits for the six months to end-March 1986, which compared with £1.76m, included net interest receivable of £7,000 (payable £48,000).

Tax was £934,000 (£686,000). After dividends, the retained profit for the period was £1.27m (£917,000).

● comment

The economic and sociological benefits of keeping Britain's increasing population of elderly people in their own homes and out of institutional ones continues to stimulate public sector demand for Tunstall Telecom's products, and with Tunstall Security at last washing its face, the group comfortably lived up to best expectations yesterday. With the shares at 310p, however, the prospective p/e ratio of 17 is looking beyond the £4.8m likely to be achieved this year. Part of the price rests on hopes that Tunstall is going to make major strides into the private sector through retail sales of its Lifeline system, but with test marketing still at its early stages it is too soon to assume that the response will be good enough to cover the heavy promotional costs of introducing this novel product to the public at large. Even without a Lifeline success Tunstall would be a good growth enterprise, but not enough of one to justify driving the price higher till the prospects become more clear.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: Associated Paper Industries, Avon Rubber, Bass, Cronite, Irish Distillers, Leeds, National Australia Bank, Scottish American Investment.

Finals: Allied Irish Banks, Benlox, Hartwells, Londos and Northern, Monks and Crane, Whitbread.

FUTURE DATES

Interims:—	
Associated Fisheries	May 28
Morceau	June 25
Northern Ind Improvement Tst	May 23
Finals:—	
Bulmer and Lumb	May 30
Coloroll	May 27
Garrard and National	May 28
Hunter Saphir	May 27
Jantar	June 26
Leigh Interests	June 3
PCT	June 30
Powell Duffryn	June 2
Sandhurst Marketing	May 29
TR Industrial and Gen Tst	May 30
"The Times" Veneer	May 22
Woodchester	May 29

Miles 33 seeks full SE listing

SUCH has been the progress at **Miles 33**, supplier of computer systems, that an application is being made to the London Stock Exchange for admission to full listing. The company's shares are currently traded on the Unlisted Securities Market.

It will not be raising any additional capital at this time, but rather wishes to broaden the ownership to a wider group of shareholders.

In the meantime, the company's results for the year to February 28 1986 show pre-tax profits up from £513,000 to £780,000 from turnover higher at £5m compared with £3.95m. The dividend is raised from 2.75p to 3p net. A one-for-one scrip issue is proposed. Stated *earnings per 10p share moved* ahead from 19.2p to 27.7p.

The directors say the current year had started well, both in Europe and the US. The Stationery Office has recently ordered the company's new System 400 for the Parliamentary Press — the largest single order ever received by the company.

System 400 was officially launched in the international market earlier in the year, *and increased* orders are expected.

In the year under review, the company paid tax of £198,000 compared with £109,000.

COMPANY NEWS IN BRIEF

MAPPIN & WEBB Holdings, jeweller and silversmith, has announced lower pre-tax profits of £4.25m (£4.79m) for the year to February 1 1986 (53 weeks), after increased interest charges of £583,000 (£483,000). There were no profits this time (£842,000) from non-trading items. Turnover was up at £51.2m (£48.82m), yielding trading profits of £4.83m (£4.43m). The dividend is 5.46p (4.96p). Tax was £1.37m (£1.84m).

EL ORO Mining and Exploration Company made pre-tax profits of £1.01m (£883,000) in 1985, including £423,297 (£399,983) from associates. Earnings were 14.38p (11.9p) and dividend is lifted to 4.165p (4.2p) net per 10p share. Company is an investment dealer. Exploration Company holds 49.85 per cent interest.

COMPREHENSIVE FINANCIAL Services increased its pre-tax profits by 27 per cent from £257,000 to £326,000 in 1985. For the current year, this USM company expects to continue the progress made in the second half of 1985. Group turnover increased from £1.1m to £1.55m. After tax up from £75,000 to £117,000, attributable profits came out at £209,000 against £182,000. The total dividend is raised from a single 1.3p to 2.2p net with a final of 1.5p. Stated earnings per 5p share were 5.45p against 5.94p.

EXPLORATION COMPANY, investment dealer, improved pre-tax profits from £1.11m to £1.23m in 1985. This includes £370,000 (£317,000) share of profits of related companies. The dividend is raised to 2.3075p (2.1p) and earnings per 5p share are shown up at 6.57p (5.63p) after tax of £434,000 (£433,000). Group income was £1.35m (£1.22m). El Oro Mining and Exploration has a 42.25 per cent interest in the company.

PERSONAL ASSETS Trust increased its net asset value per 12½p share from 40.26p to 46.8p in the year to April 30 1986. Stated earnings per share were 0.38p against 0.21p, and the dividend is raised from 0.2p to 0.35p. Pre-tax revenue was £20,000 higher at £87,000. Tax for the year was little changed at £30,000 compared with £35,000.

Country and New Town boosts asset value

A PROFESSIONAL revaluation of group properties at **Country and New Town Properties** threw up a surplus of £21.5m over book values and lifted net asset value per 10p share by 29 per cent to 157p at end-January 1986.

The revaluation put a worth on the properties of £142m. The UK accounts for 44 per cent of the group's £150m portfolio.

The year saw gross rental and service income fall from £13.32m to £11.51m but profits before tax surge by £4.14m to £7.62m. A final dividend of 1.3p raises the net total from 1.5p to 1.9p.

Tax took £2m (£1.02m) and minorities £3.66m (£878,000). Earnings amounted to 4.3p (3.49p).

The rise in profits was substantially due to the sale of a major Paris property in the first half. In 1986-87 the group will benefit from rental income arising from the letting of the rebuilt Civil Service Store in the Strand.

Spectra Auto sees further sales growth

FOLLOWING a year in which pre-tax profits grew by 15 per cent on turnover 19 per cent higher **Spectra Automotive and Engineering Products** sees further growth in the present year with a consequent increase in staff.

In the year to January 31, 1986, this maker of automotive and industrial chemicals, which is based in Newquay, Cornwall, *reported taxable profits* of £463,000 (£401,000) on turnover of £5.18m (£4.37m). From earnings per 10p share of 6.34p (6.18p) this USM-quoted company, the ultimate holding company of which is Sandhurst Marketing is proposing a final payment of 1.678p (1.525p), making a total of 2.503p.

The directors say that major orders were won from a number of multiple accounts and they were encouraged by the performance of Cytex, the Dutch subsidiary. Despite disruption caused by investment to increase manufacturing output productivity at Newquay rose by 17 per cent during the year.

Yorklyde tops £2m

An increase of 31 per cent in pre-tax profits has been achieved by **Yorklyde**, Huddersfield-based cloth and rug manufacturer, for the year to January 31, 1986.

An increase of 4.25p (3.75p) final is proposed, lifting the total for year by 1p to 7p. After increased tax of £970,000 (£720,000), earnings per 10p share are shown ahead at 30.6p (23.8p).

This advertisement complies with the requirements of the Council of The Stock Exchange. It does not constitute an invitation to subscribe for or purchase any securities.

PEPSICO

A corporation organized under the laws of the State of Delaware, U.S.A.

Canadian $75,000,000

PepsiCo, Inc.

8¾% Notes due 1991

The following have agreed to subscribe or procure subscribers for the Notes:

Morgan Guaranty Ltd	Orion Royal Bank Limited
Algemene Bank Nederland N.V.	Bank of America International Limited
Banque Bruxelles Lambert S.A.	Banque Nationale de Paris
Citicorp Investment Bank Limited	County Bank Limited
Credit Suisse First Boston Limited	Daiwa Europe Limited
Dresdner Bank Aktiengesellschaft	Goldman Sachs International Corp.
Lloyds Merchant Bank Limited	LTCB International Limited
Manufacturers Hanover Limited	Morgan Grenfell & Co. Limited
Salomon Brothers International Limited	Swiss Bank Corporation International Limited

Union Bank of Switzerland (Securities) Limited

Application has been made to the Council of The Stock Exchange for the Notes to be issued at 100 ⅞% in denominations of Canadian $1,000 and Canadian $10,000 to be admitted to the Official List. Interest will be payable annually in arrears on 29th May, in each year from and including 29th May, 1986. The first interest payment will be made on 29th May, 1987.

Listing particulars relating to the Notes and PepsiCo, Inc. are available in the Extel Statistical Service and copies may be obtained during business hours up to and including 23rd May, 1986 from the Company Announcements Office of The Stock Exchange and up to and including 4th June, 1986 from:

Cazenove & Co.
12 Tokenhouse Yard
London EC2R 7AN

Morgan Guaranty Ltd
30 Throgmorton Street
London EC2N 2NT

The Chase Manhattan Bank N.A.
London Branch
Woolgate House
Coleman Street
London EC2P 2HD

21st May, 1986

The Securities referred to above have not been registered under the United States Securities Act of 1933 and may not be offered, sold or delivered directly or indirectly in the United States of America, its territories or its possessions or to United States Persons.

Société Nationale des Chemins de Fer Belges (SNCB)

Nationale Maatschappij der Belgische Spoorwegen (NMBS)

U.S.$75,000,000
Guaranteed Floating Rate Notes Due
November 1991
Unconditionally guaranteed by

The Kingdom of Belgium

In accordance with the provisions of the notes, notice is hereby given that for the six month interest period from May 20, 1986 to November 20, 1986, the notes will carry an interest rate of 7.125 per cent per annum. This interest amount payable on the relevant interest payment date which will be November 20, 1986 is U.S.$1,820.83 for U.S.$50,000 in principal amount of the notes.

by Generale Bank
Agent Bank

This Advertisement is issued in compliance with the requirements of the Council of The Stock Exchange.

The York Waterworks Company

(Incorporated in England)

Placing of £2,000,000
10 per cent. Redeemable Debenture Stock, 1996/98
at £100 per cent. (£10 per cent. paid)

Application has been made to the Council of The Stock Exchange for the above Stock to be admitted to the Official List. The Stock will rank for interest *pari passu* with the existing Debenture Stocks of the Company.

Particulars of the Stock have been circulated in the Extel Statistical Services Ltd., and copies will be available, for collection only, during usual business hours until 22nd May, 1986 from the Company Announcements Office of The Stock Exchange, London EC2. Copies may also be obtained during normal business hours up to and including 6th June, 1986, from

Seymour, Pierce & Co.,
10 Old Jewry,
London, EC2R 8EA
or from the Company's principal office,
Lendal Tower,
York, Y01 2OL.

21st May, 1986

RHM half year profits up to £40.2 million

RESULTS

Group profit before taxation for the half-year ended 1 March 1986 amounted to £40.2 million compared with £36.7 million for the corresponding period of the previous year – an increase of 9.5 per cent.

Improvements in profits were recorded by our packaged cake and grocery businesses; the general products division, which includes our expanding restaurant and retail catering outlets, likewise achieved increased profits. The bread bakeries continued to improve their results as the expected benefits of rationalisation and the heavy investment of recent years took increasing effect. The cereals division, through which the Group's flour milling operations are conducted, reported satisfactory results despite the effects of last year's poor wheat harvest in the United Kingdom. The Group's overseas businesses achieved increased operating profits over the corresponding period of the previous year but these were significantly reduced by the effects of adverse exchange rates. In the United States profits were substantially ahead whilst in the Far East and Australasia profits remained at a similar level to those of last year.

A lower taxation charge and smaller minority interests contributed towards a substantial increase in earnings per Ordinary share to 9.5p per share, an increase of 18.8 per cent over the previous half-year.

INTERIM ORDINARY DIVIDEND

The Board has decided to pay on 11 July 1986 to Ordinary shareholders registered at the close of business on 13 June 1986 an interim dividend for the year to 30 August 1986 of 2.12p per Ordinary share, an increase of 15 per cent over the interim dividend of 1.84p per share paid in 1985.

OUTLOOK

The Group has made a good start to the second half of the year and I expect the year as a whole to be another satisfactory one.

Sir Peter Reynolds, *Chairman*

RESULTS IN BRIEF	Half year to 1 March '86	Half year to 2 March '85	Year to 31 August '85
	£m	£m	£m
External sales	698.2	655.4	1,313.8
Profit before taxation	40.2	36.7	71.5
Earnings per share	9.5p	8.0p	15.7p
Interim dividend per share	2.12p	1.84p	–

Copies of the full interim report are available from: The Secretary, Ranks Hovis McDougall PLC, PO Box 178, Alma Road, Windsor, Berkshire, SL4 3ST

RHM

RANKS HOVIS McDOUGALL PLC

Business Mortgages rises 38% to record £2.4m

IN LINE with the forecast made at the time it came to the market in August last year *Business Mortgages Trust* achieved record profits of £2.4m in the year to the end of March. The result was 38 per cent higher than the comparable £1.74m on operating income of £16.39m, against £11.55m.

Earnings per share for this Plymouth-based provider of commercial mortgages were 11.2p (9.2p) and as forecast the total payment is 1.5125p, with a proposed final dividend of 0.75625p.

The company says that loans during the year grew steadily with total advances at the end of the period at £79.33m, an increase of 26 per cent.

Mr Brian Peachey, chairman, says the year was one of satisfactory progress but expresses concern about the level of bad and doubtful debt provision, standing at £2.07m (£1.73m). He adds that the provision is prudent with scope for some recovery.

Dividends absorbed £248,000 (£47,000) leaving the retained profit at £1.06m against £1.12m.

● comment

Business Mortgages Trust slipped unobtrusively onto the stock market last August and, apart from a sensationalistic writ story in a national newspaper has stayed there unobtrusively ever since. The writ was dropped, but so did the BMT share price, from 145p to 110p. The price has since recovered, closing at 130p yesterday. Given that BMT is in a relatively sheltered sector of the mortgage market — one which aggressive Americans and even the building societies have yet to penetrate—there is no shortage of would-be borrowers. Finding the correct type of borrower has proved *more* problematic, however, almost two-thirds of the provision for "bad and doubtful debts" pertains to overvalued properties. And BMT clearly encountered administrative difficulties in accommodating the influx of new business last year, so much so that it was forced to curb the pace of growth from a prospective 40 to 26 per cent. Despite the risk of decline in its core business, South West tourism, 1986-87 should produce profits of £3.5m and a p/e of 9. Although BMT professes disdain at the prospect of becoming yet another financial services supermarket, its long term plans involve augmenting its incipient investment management and broking activities.

Majedie asset value improves

Majedie Investments, which is involved in the investment of funds mainly in listed securities, improved its net asset value to 255p per 10p share at end-March 1986, against 220p a year earlier.

The directors are paying an increased 2p (0.95 for three months) interim dividend and expect to maintain the final at 4.25p. Earnings per share are shown down from 3.61p to 3.44p.

The results reflect the further reinvestment of liquid funds which, as Mr J. K. Barlow, the chairman, mentioned in his last annual report, will restrict the scope for any significant advance in earnings for the full year.

Net income, after an unchanged tax charge of £377,000, fell to £903,000 (£947,000).

The comparative figures are restated due to the merger with Barlow Holdings.

Surplus labour still a big problem at Mersey Docks

THE burden of surplus labour among registered dock workers and other groups in the Port of Liverpool, is the most significant problem which the Mersey *Docks and Harbour Co* has to face, and it continues to confront the Port with major difficulties for the future.

But there was a considerably brighter side, says Mr James Fitzpatrick, the chairman. He says continuing strong cost control discipline played a considerable part in the company achieving increased profits in 1985, and most areas of cargo operations showed an improvement over the previous year.

For 1985, trading profits increased by 69 per cent from £1.92m to £3.24m. At the pre-tax level, profits climbed from £307,000 to £2.4m on turnover ahead from £50.23m to £52.96m.

Mr Fitzpatrick says the group is currently trading profitably, although the ongoing burdens relating to over-manning and pensions continue to erode earnings.

He adds that labor costs for registered dock workers who were surplus to requirements totalled £2.3m (£1.9m), and accounted for almost 9 per cent of the company's total cargo handling revenue.

Mersey Docks had to increase its contribution to severance costs from March 31 1986. Of this, Mr Fitzpatrick says: "It is imperative that the exhaustive discussions with Government and the National Association of Port Employers continue until a realistic solution is achieved."

Mr Fitzpatrick reports that the Royal Seaforth container terminal handled an increased number of units — 89,000 in 1985, compared with 78,500 the previous year. The grain terminal, also at Royal Seaforth, improved its performance from 1.3m tonnes to 1.47m tonnes, and the timber terminal had done slightly better than in the pervious year with 189,500 tonnes against 179,000 tonnes.

Liverpool Freeport — very much the clear front-runner among UK free zones—handled goods valued at £24m in its first full year, and attracted a number of full shiploads to the port.

After tax considerably lower at £400,000 compared with £1.15m, retained profits were £2m against losses of £343,000. Stated earnings per 10p share were 10p (1.7p losses).

J. Crean rights to raise I£15m

TO FURTHER its investment programme *Dublin-based James* Crean is calling on shareholders for I£15.38m (£13.9m) net of expenses via a rights issue.

Terms are one new ordinary at 1350p for every four held. The sterling equivalent to non-Irish residents is 316p.

The issue is being fully underwritten jointly by Allied Irish Investment Bank and Ulster Investment Bank. Brokers to the issue are J. and E. Davy in Dublin and Rowe & Pitman in London.

The company, engaged in the sale and distribution of industrial electrical products and confectionery, is continuing to evaluate possible investments—including additions to its existing business in Ireland, the US and the UK.

The directors say an increase in the capital base at this time will strengthen the negotiating position. Until investments are made, the issue proceeds will be used to offset existing borrowings.

Details of the issue are being posted to shareholders today and the last time for acceptance is June 11.

Underwoods' 72% rise to £2.5m beats flotation forecast

Underwoods, the multiple retailer best known for its chemist shops, has beaten the profit forecast it made at the time of its full listing last November. For the year ended January 31 1986, the taxable result was up 72 per cent to £2.54m, compared with a forecast £2.3m, and included £120,000 earned on *subscription* monies. Profits last year were £1.48m.

Turnover rose 26 per cent to £37.57m, and an increase in trading margins produced pre-interest profits 65 per cent up at £2.82m.

There is no dividend for the year, as stated in the offer document, but the company will initiate payments with an interim for the current year. Earnings per share rose 3.1p to 6.8p in the year under review.

After tax at £835,000 (£706,000) and an extraordinary credit of £326,000 (£200,000 debit), retained profits came *through* at £2.03m (£533,000).

Mr Harry Woolf, the chairman, says that the £3.7m net proceeds from the offer, plus the retained profit, provide a sound equity base for the *future* growth of the group.

● comment

Pitching Underwoods' striking price 65p above the 115p minimum last October was blind optimism; the advisors were arguing for a prospective *p/e* of over 32. In fairness there was an initial premium but the price *has badly underperformed* the market ever since, missing out on the year's bull run and last night it closed just 4p above issue at 184p. The profit figures are well up to expectations but it is a little surprising that the pace of new store opening has not accelerated after the autumn's cash injection. It is almost as if there is an internal conflict between those who want organic growth and those pushing for an acquisition. Given the interest savings, £3½m pre-tax is a fair estimate for this year suggesting a *p/e* in the low twenties—still a 40 per cent premium to the sector average. The retailing formula has succeeded but the price is not yet at the point where investors have to rush in.

Falmouth Shiprepair loss halts Appledore growth

THE ACQUISITION last year of a 50 per cent stake in Falmouth Shiprepair has checked the advance experienced by the A & P Appledore Group in recent years.

The six months to end-March saw group pre-tax profits fall from £443,800 to £282,300 after taking account of a £207,900 share in Falmouth's losses. Falmouth's results cover the 12 months since acquisition.

Although the shiprepair market has been particularly depressed there has been an improvement in the yard's workload since early March. An improving trading situation is looked for in the coming months.

Group turnover for the half year expanded from £1.64m to £2.13m and operating profits improved by £70,400 to £472,000. Interest charges were cut from £41,800 to £17,800.

Earnings fell to 5.4p (8.1p) after *tax of £105,900 (£188,600).* The interim dividend is held at 2p net.

It is pointed out that the economies of a number of countries in which the group has interests have been severely affected by the oil price reduction. As a result, the consulting sector will find it difficult to maintain its recent growth.

Tranwood at £180,000

Tranwood Group, engaged in manufacture of hosiery and associated products, has increased full year taxable profits from £119,000 to £180,000 on turnover ahead by nearly *£1m to £5.92m.*

Earnings per 5p share were down from a restated 0.68p to 0.55p. No dividend has been paid since 1976.

The directors say that the trading results for the year to end-January 1986 were satisfactory. Bear Brand hosiery ended *the year with a strong sales* performance and increased profit.

Elsewhere, the Woolton plant is operating at a high level of efficiency and further capital expenditure is planned. During the coming months the board intends to recommence advertising and promotion.

The deficit on the profit and loss account has been eliminated and the chairman, Mr M. A. Buckley, looks forward to the reinstatement of dividend payments in the near future.

Tranwood is changing its year-end to December 31. *Accordingly* the next set of accounts will cover the 11 months to end-1986.

Bridgend resumes payout

AS FORECAST last year, **Bridgend Group**, returned to *profitability in* 1985, and the directors are recommending a dividend payment for the first time in over 12 years.

The group, which makes and distributes electronic and security products, and distributes commercial vehicles, achieved pre-tax profits of £217,000 for 1985, compared with losses of £168,000. Profits at the halfway stage were £70,000 (losses £78,000).

A dividend of 0.35p for the year is proposed, to be paid from stated earnings per 10p share of 1.5p (loses 0.9p).

The directors say that 1985 *has seen the establishment* of an effective base from which group growth can be planned and expected. They view 1986 with confidence, and will continue to investigate acquisition opportunities.

H. Woodward and Son, which was acquired at a *substantial* discount to its net worth in 1984 when it was trading at a loss, has made a small contribution to group profits for the first time.

Tax took £3,000 (credit £43,000).

Cramphorn ahead midway

AN IMPROVEMENT in its first half results, from *losses* of £28,951 to pre-tax profits of £22,270, has been achieved by **Cramphorn**, *Essex-based* garden centre operator and pet products distributor.

The interim dividend is being held at 1.667p. A total of 5.17p was paid for 1984/85 when profits were £432,000 (£570,000). For the half year to January 4, 1986 earnings are shown down from 2p to 1.13p. The company's 50p shares are quoted on the USM.

Turnover improved by 12 per cent to £6.31m (£5.64m) in the six months. *This* was *largely* attributable to greater demand due to the better autumn weather, the directors state. *There* was also additional turnover from the new garden centre at Bury St Edmonds. *The* improvement *in sales* was restricted, however, by nursery stock losses.

If there is an early improvement in the weather the underlying signs are that there will be a sustained demand in the garden trade during the remainder of the financial year.

A large *part of* the *increase* in interest charges—from £26,950 to £56,750—is due to higher rates and costs of financing the Bury St Edmonds operation.

Tax is estimated at £6,000 (nil).

B & A Film profits ahead

British and American Film Holdings, investment holding company, saw profits for 1985 ahead at £601,000, against £512,000.

At the end of the period investments were worth £10.54, compared with £8.38m a year earlier to give net assets per 5p share of 372p against 287.2p. Net assets have risen further since the year with a figure at May 7 of 412.7p.

Lendu Holdings

Lendu Holdings, engaged in rubber production and investment, reports virtually unchanged taxable profits of £41,000, against £48,000, for 1985.

Turnover was £136,000 (£243,000) and earnings per share were 0.15p (1.49p). The dividend is being cut from 1p to 0.75p.

Fisons growth continuing

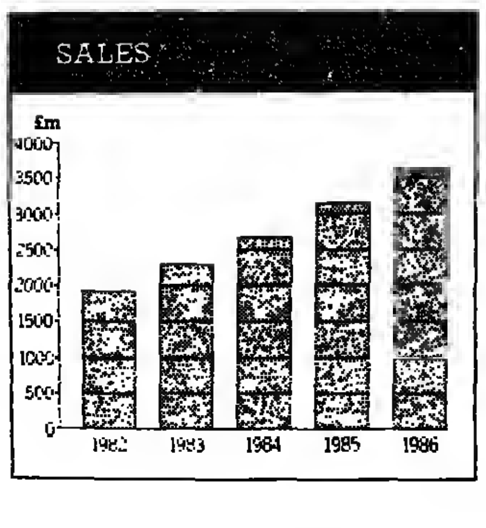
Fisons has continued *its* growth pattern in the opening months of 1986, Mr J. S. Kerridge, the chairman, told the annual meeting.

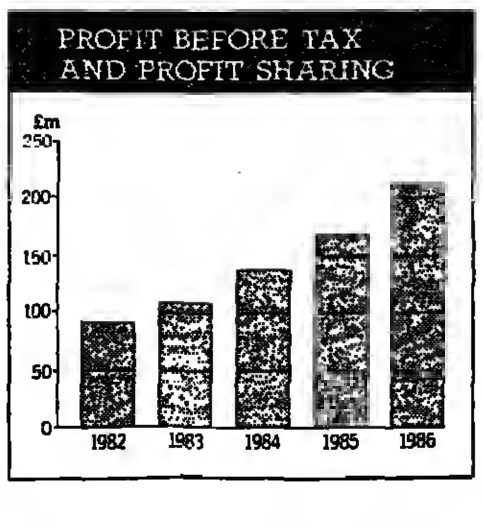
The *meeting* was also told that Sir Philip Harris, chairman and founder of the Harris Queensway Group, would join the board in June as a non-executive *director*.

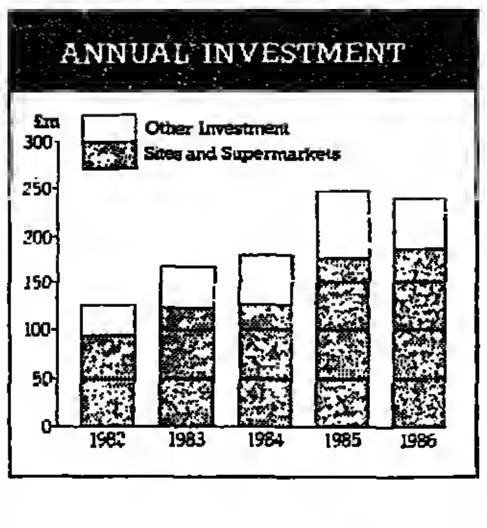
Yearlings up $\frac{3}{16}$

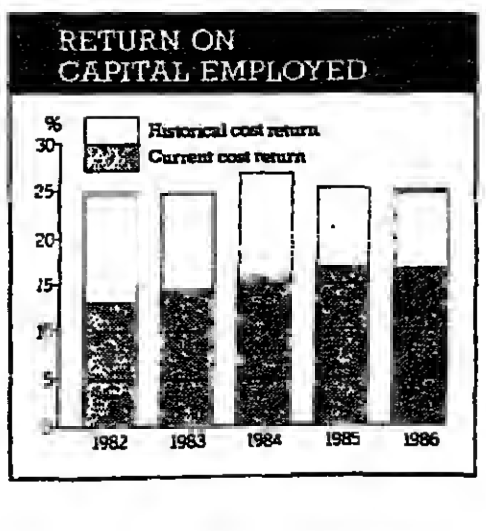
The interest rate for this week's issue of local authority bonds is $9\frac{11}{16}$ per cent, up $\frac{3}{16}$ of a percentage point from last week, and compares with 12½ per cent a year ago. The bonds are issued at par and are redeemable on May 27 1987.

A full list of issues will be published in tomorrow's edition.









FT LAW REPORTS

Miner's damages exclude unpaid pension contributions

DEWS v NATIONAL COAL BOARD

Court of Appeal (Sir John Donaldson, Master of the Rolls, Lord Justice Parker and Lord Justice Woolf): May 19 1986

DAMAGES FOR loss of earnings are calculated on the basis of loss of disposable income and loss of pension rights, and do not include contributions to a pension scheme which would have been compulsorily deducted from the earner's wages had they been paid, and which were therefore not at his *disposal*.

The Court of Appeal so held when allowing an appeal by the National Coal Board from a decision by Mr Justice Michael Davies that Mr John Dews was entitled to have his compulsory pension contribution taken into account in an assessment of damages for loss of earnings.

SIR JOHN DONALDSON said that Mr Dews was a member of the National Union of Mineworkers, and was employed as a coal miner by the National Coal Board (NCB).

It was a term of his employment that he should belong to the Mineworkers' Pension Scheme (MPS). Under the rules of the MPS he was obliged to make a weekly contribution amounting to 5¼ per cent of his weekly earnings.

The NCB was entitled to elect, and did elect, that the contribution should be made by deduction from his pay. It was obliged to make a matching contribution.

Mr Dews's contribution came out of his earnings, whereas that of the NCB was made out of its own funds.

On February 7 1976 Mr Dews was injured at work in circumstances for which the NCB was liable. He was absent sick for 31 weeks

For the earlier part of that period he received sick pay, 5¼ per cent of which was deducted and paid over to the MPS.

The present appeal was concerned with the remainder of his period of absence when he received no pay and accordingly there was no liability to pay any contribution and nothing from which to deduct it.

Mr Dews sued the NCB. Judge Stanley Price awarded him damages. He reserved for further consideration the question whether Mr Dews was entitled to additional damages equal to the MPS contributions which would have been made by him and the NCB had there been no loss of earnings. The sums amounted to £55 each.

The issue was heard by Mr Justice Michael Davies. He rejected Mr Dews's claim to have the NCB's contribution taken into account when assessing the lost earnings. That decision was now accepted.

However, the judge upheld Mr Dews's claim to have his own contribution taken into account, and awarded additional damages amounting to £55 with £20 agreed interest. The NCB appealed from that decision.

A contributor to the MPS whose employment was terminated before five years was entitled to be repaid the contributions deducted during his employment, but had no claim to the NCB's contributions. Mr Dews had been employed more than five years and had no actual or contingent right to be repaid his contributions. Also, the break in his contribution record caused no loss of pensionable service and therefore no personal loss of benefits, as he was off work for less than 18 months.

There was a vast range of potential deductions from earnings in the mining industry, some of which the NCB was entitled to deduct from wages, and others, including MPS contributions, where the contract appeared to give the employee a choice whether to authorise deductions. But it was accepted that in fact Mr Dews had no choice but to agree to MPS contributions being deducted.

The court's task was to provide some logical dividing line between deductions which were to be added to take-home pay when calculating loss of earnings, and those which were not.

The only binding authority was *Gourley [1956] AC 185* read in the light of *Parry v Cleaver [1970] AC 1* which decided that in the case of a Schedule D taxpayer the court looked to the gross loss of earnings and deducted the tax which would have been payable but was no longer payable as a result of the tort or breach of contract. By parity of reasoning in the case of a Schedule E taxpayer, the court looked to the loss of "take-home" pay.

The starting point was *Parry v Cleaver*. There Lord Reid said at page 13 that in the assessment of damages for personal injuries two questions arose. "First, what did the plaintiff lose as a result of the accident? . . . And secondly what are the sums which he did in fact receive as a result of the accident?"

The appeal was concerned solely with the first question. What did Mr Dews lose as a result of the accident?

Mr Alexander for Mr Dews, submitted that what he lost was his gross pay less only the deductions for income tax and National Insurance. He said the MPS deduction might have been compulsory in the sense that Mr Dews would not have been employed if he had not agreed to it, but the contribution was paid out of his taxed earnings with his agreement; the position would have been no different had Mr Dews had the option of subscribing to an approved pension scheme, payment being made by him rather than by deduction.

It was accepted that had it been compulsory for Mr Dews either to agree to a deduction, or on receiving full earnings, to make a like payment to an approved pension fund, the answer must be the same whatever election be made. But that did not answer the key question whether both or neither were to be taken into account in calculating loss.

In three different cases of pension arrangements, one non-contributory, one by obligatory contribution by deduction and one by obligatory contribution to an approved fund, if the remaining disposal income was the same there must be something wrong with any argument which drove the court to treat them differently. There was no reason why they should be.

In a sense the earners in the second and third cases earned more than in the first case, and *the earner in the third* case had a larger take-home pay. But in all three cases the remuneration of the earners was the same, namely partly disposable income and partly pension rights. The loss of each had to be valued separately.

In Mr Dews's case he had suffered a loss of disposable income for which he had already received an award of damages. He had not lost the amount which would have been deducted *from* his wage in respect of his pension contribution, because it would never have been at his disposal. He might have, but in fact had not, suffered a loss of pension rights.

As Mr Dews lost neither £55 of disposable income nor any pension benefits, the appeal should be allowed.

*

LORD JUSTICE PARKER, agreeing, said that Mr Alexander submitted the true view of *Gourley* was that tax was held to be deductible from the gross loss only on the ground that liability to tax was part *of the general law of the land*. A mandatory contractual liability to pay was, he submitted, quite different.

In *Gourley* Lord Tucker certainly proceeded on the basis that tax fell to be deducted on the ground contended for by Mr Alexander, but no other member of the majority proceeded on that ground.

Gourley, save only in the case of Lord Tucker, afforded no support for the view that a liability which would necessarily have been incurred as a result of earnings but which was not incurred as a result of inability to work, was only deductible from gross earnings if it was a liability imposed by law.

The case *established* merely that one sought to ascertain the plaintiff's loss and in so doing one must look at the realities. Mr Dews's real loss did not include the contributions which he and the NCB would have been obliged to make and would have made to MPS.

*

LORD JUSTICE WOOLF agreed with the judgment of the Master of the Rolls, with one exception. He did not accept that the solution was provided by asking whether the contribution was "compulsory" in that it was a condition of the employment.

If the contributions would have in fact been paid voluntarily but for the accident and were not *required* to be made because by the terms of the policy the premiums were waived during a period of incapacity, credit would still have to be given for the premiums.

Furthermore, the position was the same whether the premiums were payable to the pension company direct by the employee or on his behalf by the employer.

So far as principle was concerned it could not be disputed that in the present case and in the majority of cases in which miners were seeking damages to include loss of wages, if they were to receive the amount they would have paid in contributions they would be receiving sums which they would not have received had they been in a position to earn their wages.

Such a result would be out of accord with the general principle reiterated in *Gourley* and *Parry v Cleaver* that what the plaintiff was entitled to recover was what he had lost as a result of the accident. He suffered no loss in respect of his contributions.

For Mr Dews: Robert Alexander QC and Simon Grenfell (Raley & Pratt, Barnsley).

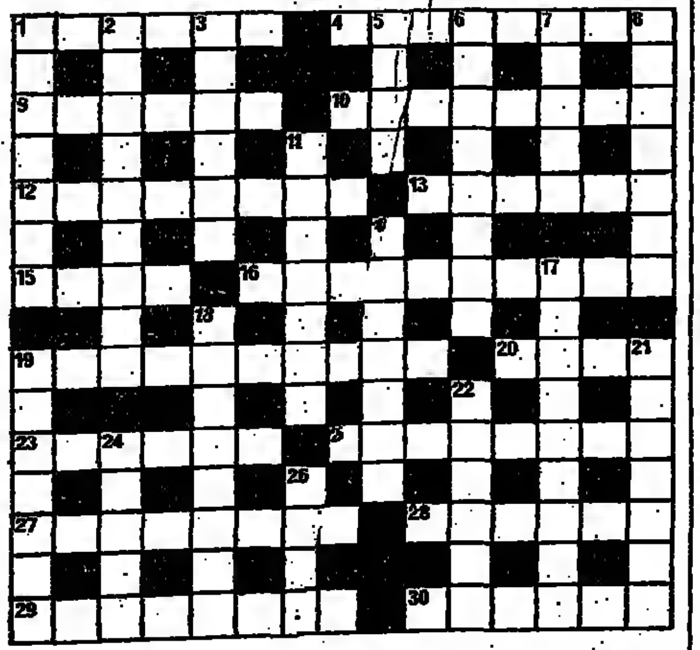
For the NCB: Tom Morison QC and Nicholas Underhill (Cyril Peach, NCB).

By Rachel Davies
Barrister

THESE REPORTS, together with full texts of judgments, are published in monthly volumes. For subscription details contact Kluwer Law Publishing, Africa House, 68 Kingsway, London WC2B 6BD. Phone 01-831 0391.

F.T. CROSSWORD PUZZLE No. 6,027

PROTEUS



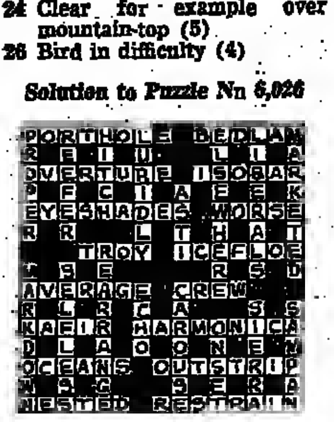
ACROSS

1 Sanction choice of democrat if young (6)
4 Incoherent when out in the country? (6)
9 Fetching or removing (6)
10 Place on one side to repair (3, 5)
12 Watch the chap whose stories are over-familiar (8)
13 Brown pigment used by wild tribes (6)
15 Attempt to wound (4)
16 Fashion with a share of self-restraint (10)
19 Curse on former city artist not one to revolt (10)
20 Box in yard (4)
23 Coarse material friend has difficulty reading back (6)
25 Went to 10? ([illegible])
27 Read about church in modern state (3, 5)
28 Head unsure about stick (6)
29 Place too much importance on cricket problem (8)
30 Talks foolishly of head's right to be admitted (6)

DOWN

1 Hands back official reports (7)
2 Happen to capture town perhaps (4, 5)
3 Beat leading enthusiast in gambling game (3-3)
5 Prove in law some have rights (4)
6 Arts-centre not originally meant to be offensive (8)
7 Metal bar used in moving others (5)
8 Instrument given by soldier to model-bird (7)
11 Haunts popular holiday-spots (7)
14 Get back and put on new coat (7)
17 Tense having flaws it seems (9)
18 He is alive to the need for a break (8)
19 Measure lawyers proceed to put a ban on (7)
21 10 having to change clothes? (7)
22 Battle with the German guard (6)
24 Clear for example over mountain-top (5)
26 Bird in difficulty (4)

Solution to Puzzle No 6,026



FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

AUTHORISED UNIT TRUSTS & INSURANCES

Sentinel Funds Mngmt Ltd
30 City Road, London EC1Y 2AY 01-628 6626

American Major	66.2	70.8	-6.4	1.12
Amer Tech & Gen Fd	99.3	106.8	-1.2	0.55
European Growth	[illegible]	[illegible]	+0.1	0.21
European Income	35.1	37.6		5.00
Exempt	535.4	572.9		2.01
Intl Growth Fd	29.2	31.3	+0.1	6.13
International Income	55.7	59.6	-0.2	4.96
Jap Tech & Gen	89.8	96.0	+5.5	0.01
Pacific Fund	155.6	166.5	+0.2	0.02
Secure Income Fd	172.1	184.1	+1.1	4.54
Small Co's Fd	37.3	39.9		1.45
Special Sits	204.6	224.3	+1.0	2.15
UK General Fund	33.7	36.1	+0.0	2.32

Standard Life Trust Mngmt. Ltd
3 George St, Edinburgh EH2 2XZ 0800 393777

Managed Trust Acc	23.6	25.3		3.0
UK Equity Gth Tst Acc	24.0	25.7	+0.2	2.00
UK Equity High Inc Inc	23.9	25.6	+0.4	5.00
UK Equity Gen Tst Acc	27.1	29.0	+0.2	3.12
UK Equity Gen Tst Inc	24.4	26.2	+0.2	1.12
Gilt & Fxd Int Tst Inc	23.6	25.3	+0.4	6.0
Nth Amer Tst Acc	33.1	35.4	-0.1	2.00
Far East Trust Acc	33.1	34.8	-0.2	0.75
European Trust Acc	23.4	25.1	-0.2	1.25

Stewart Ivory Unit Trust Mgrs Ltd (a)
45 Charlotte Sq, Edinburgh 031-226 3271

American Fund	211.6	225.4	-4.4	2.40
(Accum Units)	237.0	253.4	-5.1	2.40
(Withdrawal Units)	148.5	158.4	-3.2	2.40
Australian Fund	112.9	119.4	-2.1	1.12
(Accum. Units)	115.3	122.9	-2.1	1.12
British Fund	577.4	616.0	+0.8	4.41
(Accum Units)	779.1	829.8	+1.1	4.41
European Fund	270.4	288.1	+5.4	0.92
(Accum. Units)	284.7	303.4	+1.5	0.92
Japan Fund	273.4	291.2	-0.3	0.25
(Accum Units)	274.7	292.7	-0.2	0.25
Sams PPP	158.2	166.6		

Sun Alliance Fund Management Ltd
Sun Alliance House, Horsham 0403 56293

Equity Tst	376.0	400.9		2.32
North America	56.6	60.2		1.29
Far East	69.2	73.6		0.53

Sun Life Trust Mngmt. Ltd
107 Cheapside, London EC2V 6DU 01-606 6010

American Growth Acc	31.5	33.5	-0.5	1.4
American Income Acc	30.2	32.1	-0.4	5.5
American Income Inc	29.7	31.6	-0.4	5.5
European Growth Acc	48.4	51.5	+0.1	0.8
European Income Acc	23.3	24.5		4.5
European Income Inc	23.0	24.5		4.5
Far East Growth Acc	38.9	41.4		0.6
Intl Growth Acc	32.6	34.7		2.2
Japan Growth Acc	48.1	51.2		0.1
UK Growth Acc	36.3	38.6	+6.3	2.2
UK Income Acc	32.4	34.5	-0.2	5.1
UK Income Inc	31.6	33.5	+0.2	5.3
Managed Growth Acc	41.3	43.6	-0.1	2.0
Managed High Yield Inc	45.9	42.8	+0.1	7.3
Managed Income Inc	35.4	37.6	+0.1	3.5

Swiss Life Pen. Tst. Man. Co Ltd (a)(c)
99-101 London Rd, Sevenoaks 0732 450161

Equity Dist.*	298.0	324.2		3.52
Equity Acc.*	322.5	346.5		3.52
Fixed Int. Dist.†	122.8	130.3		10.38
Fixed Int. Acc.†	190.9	197.6		10.38

*Prices on May 16. Next dealing June 11
†Prices on May 16. Next dealing June 4

TSB Unit Trusts (b) (c) (y)
PO Box 3, Keens House, Andover, Hants SP10 1PG
0264 62188 Dealings to 0264 63432-3

TSB American	113.0	120.3	-0.5	0.98
Do. Accum	117.6	125.0	-0.6	0.98
TSB European	47.6	50.7	-0.1	0.51
Do. Accum	47.6	50.7	-0.1	0.51
TSB Extra Income	106.6	113.6	+0.4	5.68
Do Accum	114.6	122.0	+0.6	5.68
TSB General	148.7	158.1	+1.3	2.76
Do Accum	243.5	259.1	+1.6	2.76
TSB Gilt & Fxd Int	50.0	52.0		8.49
Do. Accum	65.1	67.8		8.49
TSB Income	214.4	228.1	+1.2	4.20
Do. Accum	329.1	350.3	+2.0	4.20
TSB Pacific	132.0	140.4	-1.1	0.60
Do. Accum	135.4	144.0	-1.3	0.60
TSB International	282.2	300.2	-0.6	1.46
Do. Accum	349.4	371.6	-0.6	1.46
TSB Natural Resources	41.8	44.5	-0.2	2.54
Do. Accum	42.3	45.0	-0.3	2.54
TSB Small Cos	59.5	63.3	-0.3	1.79
Do. Accum	65.2	69.3	-0.1	1.79

3i Unit Trust Managers Ltd
2 St Mary Axe, London EC3A 8BP 01-929 3356

Small Co's Fund	65.7	69.9	-0.3	0.1

Target Trust Mngrs. Ltd (a)(g)
Target Hse, Gatehouse Rd, Aylesbury Bks (0296) 5941

American Eagle	71.3	75.9		0.08
Australia	17.9	19.1	-0.2	0.10
Commodity	32.3	34.3	-0.1	1.73
Energy	30.7	32.7	+0.3	2.06
Equity	126.6	135.7	+0.6	3.56
European Spec. Sits	94.6	100.2	-0.2	1.94

Abbey Life—Continued
Pension Funds

Property	350.4	368.8	+0.1	—
Equity	750.2	789.7	+0.1	—
Selective	247.1	260.2	+1.1	—
Managed	602.3	633.9	+1.1	—
Security	329.5	346.8	+0.6	—
Fixed Int	270.9	284.6	+0.1	—
European	174.9	184.1	-0.5	—
American	315.2	331.8	-0.5	—
Japan	311.2	328.1	+3.4	—

Aetna Life Insurance Co Ltd
401 St John St, London EC1V 4QE 01-837 2307
Life Funds (Accumulator Units)

Squirrel	10.47	11.03	+0.01	—
Bear	11.22	11.82		—
Owl	11.59	12.21	+0.04	—
Bull	12.52	13.18		—
Stag	12.29	12.94	-0.03	—
Gilt-Edged		11.24	+0.02	—
Deposit		9.63	+0.01	—

Pension Funds (Accumulator Units)

Squirrel	11.36	11.65		—
Bear	12.15	12.69	+0.01	—
Owl	12.47	13.13	+0.04	—
Bull	13.36	14.59	+0.01	—
Stag	13.42	14.34	-0.05	—
Gilt-Edged		11.29	+0.02	—
Deposit		9.72	+0.01	—
Exempt Approved				
Mixed Managed	126.82	131.45	+0.34	—

Albany Life Assurance Co Ltd
3 Darkes Lane, Potters Bar 0707 42311

Equity Fd Acc (2)	262.1	737.5		—
European Fd Accum (2)	192.9	203.0		—
Fixed Int. Acc (2)	306.7	322.8		—
Gtd Money Fd Acc (2)	196.7	207.0		—
Intl Man Fd Acc (2)	298.4	302.6		—
Intl Fxd Int Fd Acc (2)	175.1	184.5		—
Japan Fund (2)	217.8	229.2		—
Nth American Fd Acc (2)	163.3	171.9		—
Prop Fd Acc (2)	198.0	209.2		—
Multiple Inv Acc (2)	493.2	519.1		—

Pension Funds

Eq Pen Fd Acc (2)	1258.6	1324.8		—
Euro Fd Acc (2)	246.8	259.8		—
Fixed Int Acc (2)	576.2	606.5		—
Gtd Money Pn Acc (2)	337.8	355.5		—
Intl Man Fd (2)	400.8	421.9		—
Jap Pen Fd Acc (2)	285.6	300.6		—
A Am Pn Fd Acc (2)	182.5	199.4		—
Property (2)	290.9	306.2		—
Mple Inv Pen Acc (2)	909.7	957.5		—

Allied Dunbar Assurance Plc
Allied Dunbar Ctr, Swindon SN1 1EL 0793 28291

Fixed Int. Dep Acc	217.2	228.7		—
Equity Acc	631.9	665.2		—
Property Acc	311.7	328.2		—
Far East Acc	134.2	141.3		—
Managed Cap	311.8	328.3		—
Managed Acc	501.6	530.3		—
O'seas Earnings Acc	413.1	434.9		—
Gilt Edged Acc	273.7	288.2		—
American Equity Acc	352.0	370.6		—
American Man Acc	168.1	177.2		—
American Prop Acc	125.8	132.5		—
Pen F I Dep Cap	239.4	252.3	+0.3	—
Pen F I Dep Acc	368.6	388.1	+0.8	—
Pen Prop Cap	379.2	399.3	-0.1	—
Pen Prop Acc	644.8	678.8	+0.4	—
Pen Man Cap	615.5	669.0	-10.0	—
Pen Man Acc	1079.2	1136.1	-16.2	—
Pen Gilt Edg Cap	283.9	298.9	+0.8	—
Pen Gilt Edg Acc	394.1	414.9	+1.4	—
Pen Eq Cap	1032.0	1086.4	-24.2	—
Pen Eq Acc	1329.2	1399.2	-30.2	—
Pen Am Eq Cap	136.2	143.4	-0.9	—
Pen Am Eq Acc	147.8	155.6	-0.9	—
Pen Far East Cap	152.9	161.0	-8.2	—
Pen Far East Acc	165.9	174.7	-8.8	—
Pen B S Cap	253.1	265.9	+6.4	—
Pen B S Acc	379.3	398.3	+6.9	—
Pen D A F Cap	192.6	202.6	+0.3	—
Pen D A F Acc	270.3	270.3	+0.9	—
Pen. Mortgage Cap	113.8	114.8	+0.2	—
Pen. Mortgage Acc	123.5	130.1	+0.3	—

American Life Insurance Co UK
2-8 Altyre Road, Croydon CR9 2LG 01-680 7181
Alpha Range—Life

Managed Acc	93.7	98.6	-0.7	—
American Acc	95.3	100.3		—
Deposit Acc	95.4	100.4		—
European Acc	95.0	100.0	-0.3	—
Far Eastern Acc	96.9	102.0	-0.7	—
Fixed Interest Acc	93.4	98.3	-0.1	—
International Acc	96.0	101.0	-0.3	—
Property Acc	97.2	102.3	+0.4	—
UK Equity Acc	91.8	96.6	-1.5	—

Alpha Range—Pensions

Managed Acc	93.8	98.7	-0.7	—

Premier Range

Managed Acc—Life	93.2	98.1	+0.9	—
Managed Acc—Pension	93.2	98.1	+0.9	—

Clerical Medical/Fidelity—Cont.
Executive Investment Pension Plan
Prices on April 23. Unit dealings on Wednesday

Cash Fd	134.7	141.8		—
Mixed Fd	190.1	200.2		—
Fixed Int. Fd	154.7	162.9		—
UK Equity Fd	222.6	234.4		—
Property Fd	128.1	135.0		—
Overseas Fd	179.3	188.8		—
Index Linked Fd	113.8	119.8		—
Stock Ex. Fd	153.8	162.1		—
North Am Fd	113.7	119.7		—
Far East Fd	125.2	131.8		—
Special Sits Fd	151.4	159.4		—
Europ. Fd	150.4	158.4		—

Initial prices available on request
For other prices telephone 0272 290566

Clerical Medical Managed Funds Ltd
15 St James's Sq, London SW1Y 4LQ 01-930 5474

Cash	166.6	166.6		—
Mixed	277.1	204.0		—
Fixed Interest	245.4	249.1		—
UK Equity	336.6	356.4		—
Property	143.0	153.8		—
Overseas	273.7	287.4		—
Index Linked	129.3	131.3		—
Stock Exchange	159.1	163.1		—

Prices on May 7. Unit dealings on Weds

Colonial Mutual Group
24 Ludgate Hill, London EC4P 4BD 01-248 9861
CML (Unit Assurances)

Fay	154.33			—
Pacemaker	179.17			—
Cash	118.77	125.03		—
Equity	221.62	233.28		—
Fixed Interest	170.22	179.17		—
Managed	193.66	203.86		—
Property	191.37	201.44		—

CML (Pension Annuities)—Rainbow Plans

Cash Cap	113.15	119.12		—
Cash Inv	122.73	129.20		—
Equity Cap	298.31	314.02		—
Equity Inv	323.56	340.60		—
Fixed Int Cap	161.73	191.31		—
Fixed Int Inv	197.12	207.50		—
Index Link Cap	113.63	119.83		—
Index Link Inv	123.46	129.97		—
Managed Cap	223.96	235.75		—
Managed Inv	242.92	255.71		—

Commercial Union Group
St Helen's, 1 Undershaft, London EC3 01-283 7500

Var Ann May 16		5105		—
Var Acc May 17		260.66		—

Prime Series—Life

Managed	220.4	232.4	+6.4	—
UK Equity	243.4	256.8	+0.9	—
Int Equity	161.5	170.0	-0.4	—
Property	123.6	130.1		—
Fixed Int	145.9	153.6	+0.2	—
Index Lnd St	104.9	110.5	+0.3	—
Investment Tst	125.8	132.5		—
Cash	118.1	124.4		—

Prime Series—Pensions

Managed	225.0	236.9	+0.4	—
UK Equity	255.0	268.5	+1.3	—
Int Equity	172.6	181.7	-6.5	—
Property	120.0	127.3		—
Fixed Int	141.6	100.1	+0.1	—
Index Lkd Gt	110.0	115.8	+0.2	—
Cash	122.6	129.1		—
Investment Tst	133.1	140.2		—

Continental Life Insurance PLC
64/70 High St, Croydon CR0 9XN 01-680 5225

Equity Acc	286.7	301.7		—
Property Acc	284.2	299.3		—
Int Acc	188.6	198.5		—
Managed Acc	244.3	257.3		—
Spec Sits Acc	214.4	225.8		—
Investment Tst Acc	121.1	127.6		—
Pen Int Acc	222.3	234.0		—
Pen Prop Acc	395.0	415.8		—
Pens Equity Acc	477.7	502.9		—
Pen Mngd Acc	288.9	304.1		—
Pens F & C Man Acc	135.3	142.5		—
Pens Inv Trust Acc	164.0	172.7		—

Prices for other funds available on request.

Cornhill Insurance PLC
57 Ladymead, Guildford 0483 68161

Equity Fd (A&B) May 14	242.5	255.5		—
Fixed Int (A&B) May 14	172.5	182.0		—
Man Grwth (A&B) May 14	506.0	533.0		—
Money Fd (A&B) May 14	138.0	145.5		—
Cap Fd (A&S) May 15	364.5			—

Framlington Life Insurance Ltd
3 London Wall Buildings, EC2M 5NQ 01-628 5131

Pension Managed Fund	61.8	65.6		—
Pension Cash Fund	47.5	50.0		—

Friends' Provident Life Office
Pixham End, Dorking (0306) 885055
Life Funds

Cash Accum	115.2	121.3		—
UK Eq Acc	172.7	181.8	+1.0	—
Stewardship Acc	153.3	161.3	+0.4	—
Fixed Int Acc	131.5	138.5		—
Index Linked Acc	104.7	110.3	-0.8	—
Mixed Acc	149.4	157.3	+0.5	—
Overseas Eq Fund	149.5	157.4	+0.3	—
Property Acc	132.1	139.1		—

"Individual Pension Funds"

Cash Cap	115.4	121.5		—
Cash Acc	128.6	135.4	+0.1	—
UK Eq Cap	163.0	171.6	+1.0	—
UK Eq Acc	181.0	190.5	+1.1	—
Stewardship Cap	158.7	167.1	+0.4	—
Stewardship Acc	169.6	178.6	+0.5	—
Fixed Int. Cap	132.1	139.1		—
Fixed Int. Acc	146.8	154.6		—
Index Linked Cap	96.3	101.4	-0.2	—
Index Linked Acc	107.1	112.8	-0.2	—
Mixed Cap	143.7	151.3	+0.5	—
Mixed Acc	159.7	168.2	+0.6	—
Overseas Fund Cap	159.2	167.6	+0.3	—
Overseas Acc	176.9	186.3	+0.3	—
Property Cap	102.5	107.9		—
Property Acc	114.0	120.0		—

Managed Pension Fund—prices on request

GT Management Ltd
8th Floor, 8 Devonshire Sq, EC2 01-283 2575

GT Plan Bond Fund	175.9	185.2	+0.5	—
GT Pln High Yld Fnd	189.0	199.0	-6.7	—
GT Plan Far East Fnd	154.6	162.8	-3.3	—
GT Plan N Am Fund	150.8	158.8	-6.8	—
GT Pln UK&G E Fnd	237.8	250.4	+1.0	—
GT Pln Wrldwde Fnd	254.1	267.5	-0.9	—
GT Pension Bnd Fnd	203.3	214.1	+0.6	—
GT Pen High Yld Fd	239.6	251.6	-0.9	—
GT Pen Far East Fd	216.6	228.1	-4.9	—
GT Pen. N. Am. Fd.	225.1	237.0	-1.4	—
GT Pen UK & G E Fd	290.9	306.3	+1.2	—
GT Pen Worldwide Fd	287.1	302.3	-1.3	—

Prices for Accum Units only

General Accident Linked Life Assurance(z)
20/24 Addiscombe Rd, Croydon CR9 5BS 01-686 0411

Managed	107.4	113.1	-0.5	—
UK Equity	125.4	132.0	-0.2	—
Fixed Interest	117.0	123.2	-0.1	—
Index-Linked	103.5	108.9	-0.9	—
Cash Deposit	103.2	108.6		—
Property	104.7	110.2		—
International	94.3	99.3	-0.7	—
American	89.0	93.7	-0.3	—
Japan	107.5	113.2	-2.4	—
Japan Smaller Co's	115.3	121.4	-1.3	—
Pen Man Acc	114.2	120.2	-0.5	—
Pen UK Equity Acc	134.2	141.3	-0.2	—
Pen Fixed Int Acc	119.6	125.9	-0.1	—
Pen Ind-Linked Acc	106.5	112.1	-0.8	—
Pen Cash Dep Acc	108.1	113.8		—
Pen Prop Acc	110.3	116.1		—
Pen Inter Acc	102.9	108.4	-1.0	—
Pen American Acc	98.2	103.4	-0.4	—
Pen Japan Acc	120.0	126.3	-3.1	—
Pen Jap Sm Co's Acc	125.2	131.8	-2.0	—

Assicurazioni GENERALI SpA
117 Fenchurch St, London EC3M 5DY 01-488 0733

Hambro Generali UK Gth	107.0	112.7		—
Hambro Generali Pens	111.6	117.5		—
Hambros Canadian	111.6	117.5		—
Hambros Equity Inc	115.4	121.5		—
Hambros European	115.7	121.8		—
Hambros High Income	114.8	120.9		—
Hambros Jap & Far East	129.8	136.7		—
Hambros 4th American	113.4	119.4		—
Hambros Res & Assets	116.7	116.6		—
Hambros Scandinavian	124.0	130.6		—
Hambros Smaller Cos	120.4	126.8		—
Generali Intnl Managed	308.0	324.3		—
Generali Int Mgd Pens	134.8	141.9		—
Generali Cash	97.9	103.1		—

General Portfolio Life Ins. Plc
Crossbrook St, Cheshunt, Herts 0992 31971

Portfolio Fd Acc	394.7	394.7	+0.3	—
Portfolio Inv A	394.6	415.5	+0.2	—

Imperial Life Ass. Co of Canada
Imperial Life House, London Rd, Guildford 571255

Growth Fund	251.3	273.2	+2.1	—

Unit-Linked Portfolio

Managed Fd	237.5	250.0	+0.7	—
Fixed Int. Fd	219.4	230.9	+0.1	—
Secure Cap Fd	164.8	173.4		—
Equity Fd	551.4	580.4	+2.2	—
Property Fd	172.2	181.3		—

Pension Fund Portfolio

Pen. Mn Fd Series 1	237.5	250.1	+0.5	—
Pen. Mn Fd Series 2	237.5	250.0	+0.5	—
Pen. Property Fd	113.0	119.0		—
Pen. Gilt-Edged Fd	120.3	126.6	+0.2	—
Pen. Ind-Link Fd	112.8	110.7	+0.4	—
Pen. Money Mkt Fd	110.1	115.9		—
Pen. UK Equity Fd	194.4	194.1	-1.3	—
Pen. Intl. Fd	226.9	238.9	+3.2	—
Pen. Mtge Rate Gtee Fd	181.0	190.6	+0.6	—

Imperial Life (UK) Ltd
Imperial Life House, London Rd, Guildford 571255
Imperial Investment Portfolio

Managed Fd	249.2	256.9	-0.6	—
Gilt-Edged Fd	123.5	130.0	+0.1	—
Property Fd	141.6	149.1		—
High Yield Fd	164.7	173.3	-0.5	—
Money Mkt. Fd	115.4	119.8		—
Ind-Link Gilt Fd	110.5	116.3	+0.5	—
UK Equity Fd	216.3	227.6	-1.4	—
Intl. Equity Fd	187.0	197.5	+0.7	—
Japan Fund	146.8	154.5	-1.9	—
N. America Fd	106.2	111.8	+0.3	—

Irish Life Assurance Co Plc
Longbow House, 20 Chiswell St, EC1 01-638 1731

Property Modules	269.7	283.8		—
Property Modules Gth	371.9	391.4		—
Poly. Mon. Gth. Ser 2	172.0	181.0		—
Poly. Mon. Gth. Ser 3	171.4	180.4		—
Blue Chip	182.8	192.4		—
Blue Chip Series 2	286.0	301.0		—
Blue Chip Series 3	285.5	300.5		—
High Income Series 3	973.9	1025.2		—
Managed	655.3	689.8		—
Managed Series 2	259.6	273.3		—
Managed Series 3	256.4	269.9		—
Global Managed	290.0	305.3		—
Global Property	131.0	137.9		—
Global Fixed Interest	276.7	291.3		—
Global Equity	321.7	338.6		—
Global Cash	116.8	122.9		—
Universal Security Fnd	95.3	100.3		—
Universal Balanced Fnd	92.7	97.6	+0.1	—
Universal Opportunity Fd	92.5	97.4	+0.1	—
Exempt Managed	451.1	474.8		—
Poly Pen Ser 2	135.4	142.5		—
Equity Pen Series 2	449.5	473.2		—
Gilt Edged Pen. Ser. 2	316.6	333.3		—
Managed Pen Ser 2	381.0	401.1		—
Cash Pension Series 2	150.3	158.2		—

The LAS Group
10 George St, Edinburgh 031-225 8494
Crescent Life Assurance

Managed Fund	202.3	214.7	-0.1	—
UK Equity	232.9	248.5	+0.4	—
Property	178.3	189.1		—
Money Market	136.8	144.3	+0.1	—
Fixed Int.	174.9	185.6	-0.2	—
Japan	235.6	250.1	-3.3	—
North America	158.1	167.8	-1.0	—
International	192.6	204.4	-0.3	—
Natural Res	66.8	71.0	-0.1	—
European	149.6	157.9	-3.3	—
Far East	91.6	96.7	-0.7	—
High Technology	102.6	108.5	+0.9	—
Special Situations	122.9	129.7	+0.8	—

Pension Funds

Managed	129.6	136.7	+0.1	—
International	125.7	132.6	-0.1	—
Property	114.7	120.9	+0.1	—
Money Market	113.0	118.2	+0.2	—
Fixed Interest	124.4	131.0		—
UK Equity	142.8	150.6	+0.7	—
North America	112.0	118.2	-0.6	—
Japan	126.6	133.9	-0.5	—
European	144.4	152.3	+0.4	—

Broker Life Funds

Prof Serviced Mngd	112.8	118.9	-0.5	—
E P Ward Disc	129.7	136.8	-0.9	—

Langham Life Assur. Co Ltd
Langham Hse, Holmbrook Dr, NW4 01-203 5211

Harvest Pen. Fund	238.7	251.3		—
Langham A Plan	105.2	110.7		—
Prop. Bond	318.9	335.7		—
Wisp (SP) Man Fd	148.3	156.1		—

Legal & General (Unit Assur) Ltd

London Life—Continued
Pensions

Equity (P)		349.1		—
Fixed Int (P)		249.5		—
Property (P)		168.9		—
Deposit (P)		157.9		—
Mixed (P)		256.7		—
Index Stock (P)		138.2		—
International (P)		163.5		—

London & Manchester Group
Winslade Park, Exeter EX5 1DS 0392 52155

	Cap	Acc		
Investment Trust Fd (z)	332.2	440.1	-1.5	481.5
Property Fd (z)	322.8	142.3		152.4
Fixed Interest Fd (z)	158.2	103.0	-0.2	190.4
Equity Fd (z)	193.5	228.1	+0.6	229.3
International Fd (z)	168.6	188.9	-1.8	299.1
American Fd (z)	106.8	109.8	-0.2	110.9
Japan Fd (z)	149.7	154.9	-2.6	158.9
European Fd	120.5	104.3	-0.9	104.6
Gtd Deposit Fd (z)	145.9	157.6	+0.1	171.3
Flexible Fd (z)	243.2	282.2	-2.6	298.5
Moneymaker Fd (z)		226.4	-2.3	—
Capital Growth Fd (z)		676.6	+0.8	—
Exempt Inv Tst Fd (z)	624.1	731.2	-6.3	—
Exempt Inv Non Sts (z)		720.6	-8.2	799.7
Exempt Poly Fd (z)	212.4	251.8		—
Exempt Poly Non Sts (z)		265.5		258.6
Exempt Fixed Int Fd (z)	133.2	157.6	-0.9	—
Exempt Equity Fd (z)	194.5	229.8	-1.8	—
Exempt Gtd Dep Fd (z)	318.4	159.9	+0.2	—
Exempt Flex Fd (z)	363.9	432.8	-2.9	—
Exempt Flex Non Sts (z)		420.1	-2.8	440.9
Exempt Mngd Fd (z)	146.9	256.9	-1.1	—

M & G Group
Three Quays, Tower Hill, EC3R 6BQ 01-626 4588

Amer Bond (Acc)	298.3	270.3		—
Amer Rec. Bond (Acc)	257.5	270.5	+0.1	—
Amer Smlr Co Bd (Acc)	117.0	122.9	-1.3	—
Australasian Bd (Acc)	98.7	103.8	-2.0	—
Commodity Bond (Acc)	216.6	222.8	+0.1	—
Deposit Bond (Acc)	211.0	221.6		—
Equity Bond (Acc)	513.0	538.8	-3.3	—
Equity Bond Bonus	222.5	233.9	-1.3	—
European Bond (Acc)	156.2	164.1	+0.9	—
Extra Yld Bd (Acc)	281.4	295.2	-0.9	—
Far Eastern Bond (Acc)	91.7	96.3	-0.5	—
Gilt Bond (Acc)	250.7	263.3	+0.2	—
Gold Bond (Acc)	72.8	76.4	-2.8	—
High Yield Bond (Acc)	207.8	218.3	+0.3	6.04
Index-Linked Gt Bd (Acc)	118.6	124.6	+0.5	—
Internatl Bond (Acc)	322.6	337.9	-2.8	—
Internatl Inc Bond (Acc)	110.5	116.2	+0.6	—
Japan Bond (Acc)	179.4	188.5	-0.8	—
Japan Smaller Co (Acc)	141.4	149.5	-1.9	—
Managed Bond (Acc)	391.7	411.75	-3.0	—
Property Bond (Acc)	273.6	287.3	+0.1	—
Recovery Bond (Acc)	266.6	280.1	-0.9	—
Family Bond (Acc)	460.3			—
Personal Pension (Acc)	1172.7		-2.9	—

MGM Assurance
MGM House, Heene Rd, Worthing 0903 204631

Financial Times Wednesday May 21 1986

Noble Lowndes & Partners Ltd.
PO Box 144 Croydon 01-686 2466

The Norminster Group.
74 Broadway, Peterborough PE1 1SU 0733 42230

Norwich Union Insurance Group
PO Box 4, Norwich NR1 3NG 0603 622200

Managed Fund	643.3	677.2	+1.9	—
Managed Fund	1246.0	1311.5	+1.9	—
Equity Fund	295.1	310.6	+2.4	—
Property Fund	349.2	367.5	+6.2	—
Fixed Int. Fund	192.7	202.8		—
Deposit Fund	115.8	121.8	-1.0	—

PBR Fund Management Ltd
146a Queen Victoria St, EC4V 5AP 01-236 4070

Fixed-Bond	115.9	121.8	-0.4	—

Pearl Assurance (Unit Funds) Ltd
252 High Holborn, London WC1V 7EB 01-405 8441

Phoenix Assurance Co Ltd
Phoenix House, Redcliff Hill, Bristol 0272 294941

Pioneer Mutual Insurance Co Ltd
16 Crosby Rd, N. Waterloo, Liverpool 051-928 6655

Premium Life Assurance Co Ltd
Eastchester House, Haywards Heath 0444 458721

Prudential Assurance Co
Holborn Bars, London EC1N 2NH 01-405 9222

Prudential Pensions Limited
Holborn Bars, London EC1N 2NH 01-405 9222

Regency Life Assurance Co Ltd
53-57 High Holborn, WC1V 6DU

All funds have alternative Pension fund. Series 2 single above. Others available from Regency Life.

Reliance Mutual
Reliance House, Tunbridge Wells, Kent

Royal Life Insurance Ltd
New Hall Place, Liverpool L69 3HS

Save & Prosper Group
28 Western Rd, Romford RM1 3LB

†Weekly dealings

Wardley Unit Trust Managers Ltd (a)
Wardley House, 7 Devonshire Sq, EC2 01-929 1532

American Tst	65.4	70.9	-0.8	1.6
Far East & Gn. Tst	80.4	85.5	-0.3	1.1
Intl Growth Tst	69.7	74.2	-0.3	0.9
Income Tst	77.9	83.8	+0.2	5.6
Japan Growth Tst	99.3	106.8	-0.6	0.2
Small Cos. Tst	119.0	128.0	-1.3	1.9
Tchnlgy. Tst	35.5	38.1	-0.5	0.2
Australia Trust	43.4	46.6	-1.0	1.7
UK Trust	129.6	137.9	+0.3	2.7
European Growth Tst	52.4	55.8	-0.8	1.2
Hong Kong Tst	20.8	22.1	+0.1	1.7

Waverley Asset Management Ltd (a) (c) (g)
13 Charlotte Sq, Edinburgh 031-225 1551

Australasian Gold	15.4	16.4	-0.4	0.15
Pacific Basin Energy	14.8	15.8	-0.2	0.2
Canadian Balncd Grwth	58.0	62.0	-0.3	3.0
Game Max	101.1	105.3	-0.2	7.8

WestAvon Unit Trust Managers Ltd(a)(c)
9 Portland Square, Bristol BS2 8SS 0272 428431

British Smlr Co's (z)	54.4	55.9	+0.1	1.50
British Growth (z)	62.4	64.2	+0.2	2.0
British Income (z)	61.9	63.7	+0.1	5.00
British Extra Yield (z)	51.3	52.8	+0.1	7.0

Whittingdale Unit Trust Managers
2 Honey Lane, London EC2V 8BT 01-606 9085/6

Short Dtd Gilt Fd	66.5	67.6	+0.6	0.59
U S. Govmnt Bond F	50.0	49.8	...	—

Windsor Trust Mngrs Ltd
83 Kingsway, London, WC2B 6SD 01-405 8331

Capital & Equity Tst	48.3	51.4	+0.1	7.76
Growth Trust	50.4	53.7	-0.2	2.29
Income Trust	52.4	55.8	+0.4	5.28

Wright Seligman Fund Managers Ltd
11 Blomfield St, London EC2M 7AY 01-588 0592

Growth Fund	66.6	70.1	...	2.00

Weekly dealing day Tuesday

The Yorkshire General Trust
Woodsome Pk, Fenay Bdge, Huddersfield 0484 602250

Y G T.	116.4	123.9	+0.1	(z)

INSURANCES

AA Friendly Society
(Investment Mngt M & G Inv Mngt Ltd)
PO Box 93 Cardiff CF1 4NW 0222 35542

AA Friendly Sr May 9		105.8		—

Abbey Life Assurance Co Ltd
80 Holdenhurst Road, Bournemouth 0202 292373

Prop. Ser. 1	204.1	214.9		—
Equity Ser 1	102.0	107.4	+1.0	—
Prop. Acc. Ser 2	274.8	289.3		—
Equity Ser 2	106.2	111.9	+1.0	—
Selective Acc	234.7	247.1	+1.4	—
Prop. Ser 4	217.0	228.5		—
Equity Ser 4	111.8	117.7	+0.9	—
Fixed Int. Ser 4	193.8	204.0	+0.1	—
Indexed Inv. Ser. 4	116.3	122.5	+0.2	—
American Ser 4	257.8	271.4	-0.5	—
High Inc. Ser 4	278.4	293.1	+1.5	—
Japan Ser 4	214.5	225.8	+0.3	—
Man. Ser. 4	347.1	365.4	+0.8	—
Money Ser 4	192.4	202.6	+0.3	—
European Ser 4	112.3	118.3	-0.4	—

Chase de Vere Investments Ltd
63 Lincoln's Inn Fields, London WC2. 01-404 5766

Portfolio Mngt Service	127.9	134.4	-0.7	—

City of Edinburgh Life Assurance
46 Charlotte Sq, Edinburgh EH2 4HQ 031-225 1655

Ivory & Sime Bond	110.0	116.0		—
Risk & Reward Bond	119.0	126.0		—
Murray Johnstone Fd	115.0	122.0		—
Money Market Fd	98.0	104.0		—
Ivory & Sime Pens Fd	94.0	100.0		—
Risk & Reward Pens Fd	103.0	109.0		—
Murray J'stone Pens Fd.	113.0	119.0		—
Money Market Pens Fd	98.0	104.0		—

City of Westminster Assurance
Sentry House, 500 Avebury Boulevard, Cent Milton Keynes MK9 2LA Tel: 0908 606101/660888
Current Series

Property Fund	110.9	116.8		—
Money Fund	217.3	228.8		—
Managed Fund	393.6	414.4	-0.1	—
Equity Fund	246.2	259.2	-0.1	—
Fixed Interest Fund	150.1	158.0	+0.1	—
Far East Fund	174.7	183.9	-2.0	—
North American Fund	178.9	188.4	+0.8	—
Natural Resources Fund	132.4	139.4	+0.5	—
S.O.H. Flag Fund	122.5	129.0		—
Pension Managed Fund	373.4	393.1	-0.8	—
Pension Equity Fund	229.5	241.8	-1.0	—
PBR Fund	119.4	125.7		—

For other prices please telephone 0908 606101/660888

Clerical Medical/Fidelity International
Narrow Plain, Bristol BS2 0JH 0272 290566
Investment Funds

Mixed	127.8	133.7		—
Equity	147.3	155.1	+0.6	—
Property	107.2	112.9		—
Gilt & Fixed Interest	117.7	123.9	+0.5	—
Indexed Securities	102.8	108.2	+0.4	—
Cash	105.3	110.9	+0.1	—
North American	105.8	111.3		—
Far East	108.2	113.9		—
International	115.9	122.1	-0.2	—
Special Situations	137.0	144.3	+0.3	—
International Income	133.3	140.4	+0.1	—
American Income	101.9	113.6	-0.1	—
European	137.8	140.9	-1.2	—

Flexible Retirement Plan

Mixed	128.6	135.4	+0.1	—
Equity	142.0	149.5	+1.0	—
Property	110.4	116.3	+0.1	—
Gilt & Fixed Interest	123.3	129.8	+0.1	—
Indexed Linked	108.1	113.8	+0.5	—
Cash	112.7	118.7	+0.1	—
North American	108.2	114.0	-0.7	—
Far East	114.8	120.9	+0.1	—
International	119.1	125.4	-0.4	—
Special Situations	151.4	159.4	+0.4	—
European	147.8	155.6	-1.6	—

Equitable Life Assurance Society
4 Coleman Street, London EC2R 5AP 01-606 6613

Far Eastern	133.7	140.7	-0.3	—
Fd of Inv Tsts	123.4	129.9		—
Gilt & Fixed Int	118.2	124.4		—
High Income	146.1	153.8	+0.6	—
Managed	124.7	151.3	+0.2	—
Money	104.8	110.3		—
North American	113.3	119.3	-0.5	—
Pelican	134.2	141.3	+0.7	—
Property	105.2	110.7		—
Special Sits	141.2	148.6	+0.3	—
School Fee Managed	134.6	141.7	+0.3	—

Pension Funds

Far Eastern	144.6	152.2		—
Fd. of Inv. Tsts.	130.4	137.3		—
Gilt & Fixed Int	124.5	131.0		—
High Income	163.0	171.6	+0.9	—
Managed	134.6	141.7	+0.3	—
Money	111.6	117.5		—
North American	116.7	122.8	-0.6	—
Pelican	145.5	153.2	+1.0	—
Property	105.5	111.0		—
Special Sit.	154.9	163.1	+0.4	—

Equity & Law
Amersham Road, High Wycombe 0494 33377

Prices are Series 2. Series 1 available on request
Group Pension Funds—Prices available on request

Family Assurance Society
19 New Rd, Brighton BN1 1WS 0273 724570

Family A Managed	377.8	385.5		—
Family B. Managed	223.1	227.4		—
Family C. Bnt.	206.1	210.3		—
Family D. Fixed Int.	199.6	203.7		—
Family Capital Mngd.	210.6	214.9		—
Family Brit. II	125.7	128.3		—
Family Growth Series 1	108.7	110.9		—
Family Growth Series 2	57.4	60.4		—
Fmly Concentrated Gilt	89.3	91.9		—

Federation Mutual Insurance Ltd
29 Linkfield Lane, Redhill, Surrey 67333

Inv. Tst. Fd. Initial	1.072	1.126		—
Inv. Tst. Fd. Accum.	1.146	1.204		—

First Financial Services PLC
One Mitre Sq, London, EC3A 5AN 01-283 2500

Private Fund Accum (z)	110.0	115.8	+0.1	—

Hill Samuel Life Assur. Ltd
NLA Tower, Addiscombe Rd, Croydon 01-686 4355

Capital units prices available on request

London A'deen & Nthn. Mtl. Assur. Ltd
129 Kingsway, London WC2B 6NF 01-404 0393

Asset Builder*	97.7	103.0		—

London Indemnity & Gnl. Ins. Co Ltd
18-20 The Forbury, Reading 583511

Money Mgr May 15	96.5	105.5		—
MM Flexible May 8	83.6	91.9		—

London Life
100 Temple St, Bristol BS1 6EA 0272-279179
Assurances

Equity		415.5		—
Fixed Int.		223.4		—
Property		223.6		—
Deposit		167.2		—
Mixed		297.2		—
Index Stock		126.5		—
International		156.6		—

National Mutual Life
5 Bow Churchyard, London EC4M 9DH 01-236 1566

National Mutual of Australasia
Serpentine Rd, Poole, Dorset 0202 680666

National Provident Institution
48 Gracechurch St, London EC3P 3HH 01-623 4200

NPI Pensions Management Ltd

Managed Fund	745.3	784.4		—

Prices May 1. Next dealing June 2.

Provident Capital Life Assc. Ltd

Provident Life Assoc Ltd

Provident Mutual Life Assc. Assn.

Providence Capital Life
222 Bishopsgate, London EC2

For Capital Unit and Other Prices ring 01-247 6533

Scottish Amicable Investments

Scottish Equitable Life Assce. Soc.
28 St Andrew Sq, Edinburgh

Scottish Life Investments
19 St Andrew Square, Edinburgh 031-225 2211

Scottish Mutual Assurance Society

Scottish Mutual Investments

Scottish Provident Institution

Scottish Widows' Group

Schroder Life Assurance Ltd

Property Equity & Life Ass. Co

Property Growth Assur. Co Ltd
Leon House, Croydon CR9 1LU

Merchant Investors Assurance
Leon House, 233 High St, Croydon

Manufacturers Life Insurance Co (UK)
St George's Way, Stevenage

Municipal Life Assurance Ltd
99 Sandling Rd, Maidstone

NEL Pensions Ltd
Milton Court, Dorking, Surrey

Lloyds Life Assurance
20 Clifton St, EC2A 4HX

Liberty Life Assurance Co Ltd
Station Rd, New Barnet

Legal & General Prop. Fd. Mgrs. Ltd

Kingswood House, Kingswood, Tadworth, Surrey KT20 6EU Burgh Heath 53456

Hearts of Oak Benefit Society

Growth & Sec. Life Ass. Soc. Ltd

Guardian Royal Exchange
Royal Exchange, EC3 01-283 7101

Crusader Insurance Plc
Reigate, Surrey

Devonshire Life

Credit & Commerce Life Ass. Ltd

Criterion Assurance Group

Crown Financial Management Ltd
Crown Hse, Woking GU21 1XW 04862 5033

Gresham Unit Assurance Ltd

Eagle Star Insurance Co Ltd
Bath Road, Cheltenham GL53 7LQ 0242 521311

Eagle Star Insur/Midland Assur.

Cannon Assurance Ltd

Canada Life Group
2-6 High St, Potters Bar, Herts P. Bar 51122

British National Life Assurance Co Ltd

Black Horse Life Ass. Co Ltd

Barclays Life Assur. Co Ltd
252 Romford Road, London E7 01-534 5544

Baltic Assurance Fonds

Ambassador Life Ass. Co Ltd

Templeton Investment Management

Thornton Unit Managers Ltd

Touche, Remnant Unit Trust Mngt Ltd

Trades Union Unit Trust Managers

Transatlantic and Gen. Secs. (c) (y)

Triton Fd Mngrs. Ltd.

Tyndall Managers Ltd(a)(b)(c)
18 Canynge Road, Bristol 0272 732241

UK Provident Unit Trust Managers Ltd
UK House, Castle St, Salisbury SP1 3SH 0722 336242

Unit Trust Account & Mgmt. Ltd
Regis Hse, King William St, EC4R 9AR 01-623 4951

Vanguard Trust Managers Ltd

Framlington Life Insurance Ltd

Friends' Provident Life Office

هكذا من الأصل

INSURANCE, OVERSEAS & MONEY FUNDS

Sentinel Life plc
2 Eyre Street Hill, EC1R 5AE 01-278 4488

Pension Mngd (Acc)	62.4	62.4		–
Pension Mngd (Cap)	61.8	61.8		–

Sharp (Albert E.) & Co.
12 Newhall Street Birmingham B3 3ER. 021-236 5801

Skandia Life Assurance Co Ltd
Frobisher Hse, Nelson Gte, Southampton 0703 334411

Target Life Assurance Co. Ltd.
Target House, Gatehouse Road, Aylesbury, Bucks Aylesbury (0296) 5941

Teachers' Assurance Company Ltd
12 Christchurch Rd, B'mouth BH1 3LW 0202 291111

Transatlantic Life Assur Co Ltd
8 New Rd, Chatham, Kent Medway 812348

Trident Life Assurance Co Ltd
London Road, Gloucester 0452 500500

Tunbridge Wells Equitable
Abbey Court, Tunbridge Wells 0892 41466

Tyndall Assurance/Pensions
18 Canynge Road, Bristol 0272 732241

Baring Fund Managers (Guernsey) Ltd
PO Box 71, St Peter Port, Guernsey 0481 26541

Baring International Group
1901 Edinburgh Tower, Hong Kong 01-588 6135

Barrington Mgmt (CI)—Barrington Fd
Kleinwort Benson Hse, St Helier, Jersey 0534 78866

Bishopsgate Commodity Ser. Ltd
PO Box 42, Douglas, IoM 0624 73911

Brazil Capital Services Ltd
48 St Vincents St, Glasgow G2 5TS 041-204 1249

Bridge Management Guernsey Ltd(a)(c)(h)
PO Box 511, St Peter Port, Guernsey, CI 0481 710717

Bridge Management Ltd
GPO Box 590, Hong Kong

Britannia Intl. Investment Mngmt Ltd
Box 271, Queensway House, Queen Street, St Helier, Jersey CI 0534 73114

Brown Shipley Fund Mgmt (CI) Ltd
PO Box 583, St Helier, Jersey 0534 74777

Butterfield Management Co Ltd
PO Box 195, Hamilton, Bermuda

CAL Investments (IoM) Ltd
16 St Georges Street, Douglas, IoM 0624 20231

Eurolife Assurance Group
5-11 Mortimer St, London W1N 7RH 01-631 0778

S.G. Europe Obligations SA
9 Avenue de la Liberte, Luxembourg

Eurotax Investments Ltd
1 Athol Street, Douglas, Isle of Man 0727 41322

Fidelity International
9 Bond St, St Helier, Jersey, CI 0534 71696

Fleming Group
London Agents R.F., 25 Copthall Ave, EC2 01-638 5858

Forbes Securities Management Ltd
PO Box 887, Grand Cayman, BWI
London Agent: 01 839 3013

Foreign & Colonial Management Ltd
1 Laurence Pountney Hill, London EC4 01-623 4680

Formosa Fund
c/o Hoare Govett Asia Ltd, Heron Hse, 319-325 High Holborn WC1 01-404 0344

Framlington Overseas Fund Mngt. Ltd
PO Box 71, St Peter Port, Guernsey 0481-26541

Frankfurt Trust Investment—GmbH
Wiesenau 1, D-6000 Frankfurt

Frobisher Fund Limited
PO Box HM1735, Hamilton, Bermuda 809 295 7447

CT Management (UK) Ltd
8th Floor, 8 Devonshire Sq, London EC2M 4YJ
Tel 01-283 2575 Telex: 886100

Hellerup Scandinavian Fund Ltd
Tyndall House, Douglas, IoM 0624 24111

Henderson Admin. (Guernsey)
PO Box 71, St Peter Port, Guernsey 0481 26541

Henderson Management SA
20 Boulevard Emmanuel Servais, Lux 010 352 21902

Heritable & General Fund Mngrs (Jersey) Ltd
PO Box 463, St Helier, Jersey 0534 75741

Hill Samuel Fd. Mngrs. (Guernsey) Ltd
PO Box 1b, 55 High St, St Peter Port, Guernsey, CI

Hill Samuel Investment Mgmt Intl SA
Jersey, PO Box 63

Holborn Fund Mngmt (Guernsey) Ltd
PO Box 61, Bermuda Hse, St Julian's Ave, St Peter Port, Guernsey

Holborn Fund Mngmt (Jersey) Ltd
28/34 Hill St, St Helier, Jersey 0534 72156

I.C. Trust Managers Ltd
10 St Georges St, Douglas, IoM 0624 25015

IGF Management Services Inc
c/o Registrar, PO Box 1044, Cayman Is, BWI

NV Interbeheer
PO Box 85690, The Hague, Holland

International Bond Trust
2, Boulevard Royal, Luxembourg

MIM (Jersey) Limited
PO Box 452, St Helier, Jersey 0534 27411

Minerals, Oils Res. Shrs. Fd. Inc.
PO Box 194, St Helier, Jersey 0534 27447

Murray, Johnstone (Inv. Adviser)
163 Hope St, Glasgow G2 041-221 9252

NEL Britannia Int Ass Ltd
Acorn House, Athol St, Douglas, IoM 0624 24924

NM Income & Cwth Fd
7 Boulevard Royal, Luxembourg

Nat. Westminster Jersey Fd. Mgrs. Ltd
23/25 Broad St, St Helier, Jersey 0534 70041

Newport International Management
Bank of Bermuda Bldg, Bermuda 809 295 4000

Nikko Intl. Cap. Mngt. Co (Europe) Ltd
c/o PO Box 105, Guernsey, CI 0481 71438

Nomura Growth Fund SA
2 Boulevard Royal, Luxembourg

Northgate Unit Tst. Mngr. (Jersey) Ltd
PO Box 82, St Helier, Jersey 0534 73741

North Star Group of Companies
25 Bvd Royal, Luxembourg Tel 46275

Norway Fund Management A/S
Stranger 29 0154, Oslo 1, Tel 418100, Norway

PFC Internatl Portfolio Fd Mngt Ltd
PO Box 30927, Hong Kong 5-7908448

Pacific Basin Fund
10a Boulevard Royal, Luxembourg

Pacific Growth Fund
2, Boulevard Royal, Luxembourg Tel 4791

Parinter Bond Fund SA
10a Boulevard Royal, Luxembourg

Scandinavian Bk Fd Mgrs Ltd
PO Box 1984, Grand Cayman, BWI 809-94 98244

Schroder Mngt Services (Jersey) Ltd
PO Box 195, St Helier, Jersey 0534 27561

J. Henry Schroder Wagg & Co Ltd
120 Cheapside, London EC2 01-382 6000

Schroder Fin. Mgmt. Intl. Limited
Box 273 St Peter Port, Guernsey 0481 28750

Scimitar Worldwide Selection Fund Limited
PO Box 330, St Helier, Jersey 0534 34373

Scrimgeour Kemp-Gee Mngmt., Jersey
1 Charing Cross, St Helier, Jersey 0534 73741

Securities Selection Ltd
Bermuda House, St Peter Port, Guernsey, 0481 26268

Sentry Assurance International Ltd
PO Box 1776, Hamilton 5, Bermuda 55303
For Fund Prices Phone UK 0327 41454

Seoul International Trust
Fund Man: Korea Invest Trust Co Ltd
c/o Vickers da Costa Ltd, King William Street, London, EC4 01-623 2494
NAV Won 12,983.63. 10$ value US$14,606.90

Seven Arrows Fund NVB
62 de Ruyterkade, Curacao, Netherlands Antilles

Singer & Friedlander Ldn. Agents
21 New St, Bishopsgate, EC2M 4HR 01-623 3000

Skandifond International Ltd
PO Box 44, Guernsey, CI 0481 27111

Societe Generale Merchant Bank plc
60 Gracechurch St, London EC3V 0ET 01-626 4621

Standard Bank Fund Managers
119 Cannon St 01-623 9292 Anthony Wagg

Warburg Investment Management Jersey Ltd
39-41 Broad St, St Helier, Jersey, CI 0534 74715

Warburg Inv Mngmt (Isle of Man) Ltd
1 Thomas Street, Douglas, Isle of Man. 0624 23956

Wardley Fund Managers (Jersey) Ltd
HK Bk Bldg Grenville St, St Helier 0534 71460

Wardley Investment Services Ltd
4th Floor, Hutchison House, Hong Kong

WestAvon Secs. (Guernsey) Ltd
Borough Hse, St Peter Port, Guernsey 0481 27963

World Bond Fund
Managers, PO Box 190, St Helier, Jersey 0534 74715

World Fund S.A.
2 Boulevard Royal, Luxembourg

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Yamaichi Dynamic Mngt Co SA
70A Boulevard Royal, Luxembourg

Zero Bond Fund Limited
PO Box 208, St Peter Port, Guernsey 0481 26268

OFFSHORE AND OVERSEAS

Money Market Trust Funds

	Gross	Net	Gr Equiv C&R	Int Cr
The Charities Deposit Fund 77 London Wall, London EC2H 1DB 01-588 1815				
Deposit	10.10		–	3-Mth
The Money Market Trust 03 Qn Victoria St, EC4N 4SL. 01-236 0952				
Call Fund	10.38	7.76	11.33	Mth
7-day Fnd	10.33	7.72	11.28	Mth
Oppenheimer Money Management Ltd 66 Cannon St, EC4N 6AE 01-236 1425				
Call Fnd	9.95	7.44	10.68	6-Mth
7-day Fund	9.95	7.44	10.68	6-Mth
Dollar	5.87	–	–	6-Mth

Money Market Bank Accounts

	Gross	Net	Gr Equiv C&R	Int Cr
Adam & Co. plc 22 Charlotte Sq, Edinburgh EH2 4DF 031-225 8484				
Full Service Ext Acc	10.00	7.20	10.42	Qtr
Aitken Hume 30 City Road, EC1Y 2AY. 01-638 6070				
Treasury Acc	9.75	7.29	10.56	Qtr
Mth Int. Chq.	9.75	7.29	10.63	Mth
Allied Arab Bank Ltd 97-101 Cannon St, London, EC4N 5AD. 01-283 9111				
HICA	10.5	7.85	11.48	Mth
Bank of Scotland 38 Threadneedle St, EC2P 2EH. 01-628 8060				
Money Mkt Cheque Acc	9.50	7.10	10.33	Mth
Barclays Prime Account PO Box 125, Northampton 0604 252891				
High Int. Cheque	9.75	7.125	10.31	Qtr
Britannia Investment Services Ltd. 74-78 Finsbury Pavement, EC2A 1JD. 01-588 2777				
Cater Allen	9.75	7.29	10.6148	Mth
Charterhouse Japhet plc 1 Paternoster Row, EC4M 7DH. 01-248 3999				
Sterling	10.13	7.57	11.04	Mth
U.S. Dollar	6.25	4.67	6.72	Mth
German Marks	4.00	2.99	4.27	Mth
Swiss Francs	1.50	1.12	1.59	Mth
Japanese Yen	4.50	3.36	4.50	Mth
Citibank Savings St Martins Hse, Hammersmith Grove 01-747 4941				
Money Market Plus	£5,000+	7.40	10.79	Mth
Co-operative Bank Cheque & Save 78-80 Cornhill EC7 01-626 6545				
£500-£2,500	6.69	5.00	7.10	Qtr
£2,500 +	9.38	7.00	10.12	Qtr
Dartington & Co Ltd Dartington, Totnes, Devon TQ9 6JE 0803 862271				
Money Mkt Acc	10.25	7.66	11.10	Qtr
Edward Manson & Co Ltd 9 Henrietta Place W1M 9AG 01-657 3313				
Cheque Deposit Acc	10.50	7.84	11.45	Mth
Henderson/Bank of Scotland 38 Threadneedle St EC2P 2EH 01-628 8060				
Money Mkt. Cheque Acc.	9.50	7.10	10.33	Mth
Legal & General (Money Mngrs) Ltd 355 Euston Road, NW1 3AG 01-388 3211				
High Int Dep Acc	10.37	7.75	11.11	6-mth
Lloyds Bank PLC 71 Lombard St, London EC3P 3BS 01-626 1500				
HighIntCheque Account	9.60	7.60	11.01	Qtr
Lombard North Central PLC 17 Bruton St, W1A 3DH 01-409 3434				
14-Day Notice	10.00	7.47	10.52	–
M & G/Kleinwort Benson M & G Hse., Victoria Rd., Chelmsford 0245 266266				
H.I.C.A. (£2,500+)	9.62	7.19	10.40	Daily
Midland Bank plc PO Box 2, Sheffield. 0742 20999 Ext 8655				
High Int Chq Acc	9.63	7.20	10.42	Qtr
£10,000 +	9.90	7.40	10.72	Qtr
NatWest Special Reserve Account 41 Lothbury, London, EC2P 2BP 01-256 9933				
£2,000 to £9,999	9.75	7.25	10.49	Qtr
£10,000 and above	9.875	7.375	10.67	Qtr
Oppenheimer Money Mngmt Ltd 66 Cannon St, EC4N 6AE 01-236 1425				
Money Mngt. Acct.	9.50	–	–	3-Mth
Phillips & Drew Trust Ltd 120 Moorgate, London EC2M 6XP 01-628 9771				
High Int Chq Acc	10.250	7.66	11.11	Qtr
Provincial Trust 30 Ashley Rd, Altrincham, Cheshire 061-928 9011				
High Int Chq Acc	10.75	8.04	11.75	Mth
Royal Bank of Scotland plc 24 Lombard St, London EC3V 9BA 031-557 0201				
Premium Account	10.00	7.47	10.83	Qtr
Save & Prosper/Robert Fleming 28 Western Rd, Romford RM1 3LB. 0708 66966				
H.I.B.A.	9.69	7.25	10.58	Daily
Tyndall & Co 29-33 Princess Victoria St, Bristol 0272 732241				
Demand Acc.	10.04	7.50	10.87	Qtr
Money Acc.	10.03	7.50	10.86	Qtr
J. Henry Schroder Wagg & Co Ltd Enterprise House, Portsmouth 0705 827733				
Special Acc.	9.75	7.29	10.61	Mth
Over £10,000	10.00	7.48	10.90	Mth
Western Trust & Savings Limited The Moneycentre, Plymouth PL1 1SE 0752 24141				
High Int Chq Acc	10.38	7.76	11.24	Qtr

NOTES—Gross: rate to those exempt from composite rate of tax. Net: actual rate after deduction of CRT. Gr Equiv CAR: Gross equivalent to basic rate taxpayers—compounded annual rate. Int Cr: frequency interest credited.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. ‡ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ◆ Yield column shows annualised rates of NAV increase. xd ex dividend.

TRADITIONAL OPTIONS

3-month call rates

Industrials	p		p
Allied-Lyons	28	Marks & Spencer	18
BAT	38	Midland Bk.	44
BOC Grp	32	NEI	11
BSR	14	Nat West Bk	70
BTR	45	P & O Dfd	45
Babcock	29	Plessey	20
Barclays	45	Polly Peck	16
Beecham	32	Racal Elect.	17
Blue Circle	55	RHM	20
Boots	26	Rank Org Ord	48
Bowaters	30	Reed Intnl	75
Brit Aerospace	48	Sears	12
Brit. Telecom	17	TI	42
Brown (J.)	3	Tesco	30
Burton Ord	32	Thorn EMI	35
Cadburys	17	Trust Houses	12
Charter Cons	22	Turner Newall	18
Comm Union	28	Unilever	120
Courtaulds	26	Vickers	40
Distillers	52	Wellcome	19
FNFC	15	**Property**	
Gen Accident	75	Brit Land	16
Gen Electric	17	Land Secs.	30
Glaxo	100	MEPC	32
Grand Met	34	Peachey	24
GUS 'A'	75	Samuel Props	18
Guardian	75	**Oils**	
GKN	32	Brit. Oil & Min.	2½
Hanson Tst.	16	Brit Petroleum	48
Hawker Sidd.	52	Burmah Oil	38
ICI	50	Charterhall	3
'Imps'	28	*Premier*	3½
Jaguar	27	Shell	55
Ladbroke	32	Tricentrol	15
Legal & Gen	79	Ultramar	18
Lex Service	38	**Mines**	
Lloyds Bank	55	Cons Gold	40
Lucas Inds	60	Lonrho	25
		Rio T Zinc	50

A selection of Options traded is given on the London Stock Exchange Report Page.

COMMODITIES AND AGRICULTURE

Brussels probes semen cartel

By Peter Bruce in Bonn

ELNOB the bull is on the brink of stardom. This has very little to do with the fact that although he is only 12 years old, he has already sired nearly 7,500 offspring. No, Elnob may one day owe his fame to the fact that his owners may soon be helping the European Commission in Brussels with certain enquiries.

Elnob is the very soul of the Griefenberg insemination station in Bavaria. Twice a week he passes semen into a wheeled contraption thinly disguised as a cow. The sperm is then collected, tested in a laboratory, and frozen, ready for sale. Bulls at 65 such stations around Germany go through much the same routine. The stations, charges a report now in Brussels, operate an illegal cartel.

But suddenly the stations, set up after the Second World War to help improve the quality of dairy cows and to eliminate venereal disease among the animals, have been caught up in the new world. In a sense, they are in good company. Cartels and monopolies thrive in West Germany:

According to a report drawn up by a small legal firm in Elzach, Baden-Württemberg, and passed on to the Commission and to the Agriculture Ministry in Bonn, the stations have cornered virtually the entire market in insemination.

Owners of cows, says the report, are forced to deal only with the stations which organise themselves into regional depots, parading either as co-operatives, "associations" or companies. In many cases, farmers are required to become members of the associations or co-operative and, says the report, the farmers are often forced to make their cows available for insemination even though they might not require extra animals.

The report says the stations dictate not only semen prices but sell only to selected customers. For instance, the man who commissioned the report, Mr Adolf Schnuck, is a freelance insemination specialist in Baden-Württemberg who, says the law firm, Fischer-Fritsch, simply cannot buy sperm from the stations to inseminate the cows of farmers who want to hire him. The farmers, many of whom are small and financially weak, are then forced to turn to the stations.

For a number of years now 56 farmers in southern Germany have been waging a legal battle on behalf of a highly regarded semination specialist who has been "frozen" by the stations. In 1980 the man, Mr Martin Kirchlechner, for 14 years a specialist with the Greifenberg station, helped inseminate three cows belonging to a farmer, a friend, outside his region. The regular inseminator was away on holiday. Mr Kirchlechner was immediately fired. His case has dragged on for two years in the courts.

Mr Schnuck, himself a part-time farmer with cows he wants inseminated, sounds almost angry enough with the stations to take them to the European Court if he does not get satisfaction from the Commission in Brussels or the Agricultural Ministry in Bonn. He has already had one disappointment — two weeks ago the cartel office in Berlin returned the report to Fischer-Fritsch saying they could not help, that it was all a matter for the courts.

Over-supply pushes silver to near four-year low

BY ANDREW GOWERS

THE London silver bullion market dropped sharply yesterday to reach its lowest level in nearly four years. At yesterday's fix, the metal was quoted at 317.7 pence per troy ounce, down 14.4 pence on the day.

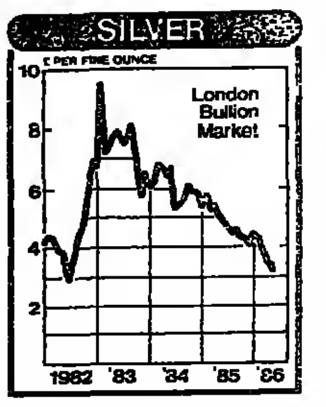
Dealers said while there are no fresh factors to explain the fall, which has been going on sporadically for months since levels above 450p reached in February of this year, the market continues to suffer from chronic over-supply. It is demonstrating once again that the silver price is effectively separated from those of gold and other precious metals.

"There's just too much silver around," said one leading London bullion house. "The market is suffering from an intense attack of apathy."

Over-supply has been a factor in the silver market for years, but in the past that slack has been taken up by speculators, including the famous Hunt brothers who together accumulated about 500m ounces in the early 1980s. What marks the latest slump out is the speculative buying is almost totally absent.

"The only speculators in the market are those selling short," said a trader. "Ironically, the only thing that's stopping the market going down further is that there are a lot of short positions. Silver has come to be seen much more as a commodity pure and simple rather than a hedge against inflation."

In the meantime, silver consumption in the photographic and jewellery industries among others is running at only 75 per cent of its level in the early 1970's.



The over-supply position is aggravated by the fact that the two biggest producers, Peru and Mexico, desperately need foreign exchange—even more so than the two main producers of gold, South Africa and the Soviet Union. "They can't afford to finesse the market," said a dealer.

According to Drexel Burnham Lambert, excess silver supplies were running at about 115m ounces a year in the first half of the 1980's.

According to the pessimists, one of only three things could reverse the present price decline:

- A huge increase in industrial consumption of silver, which seems highly unlikely in the present circumstances;
- A resurgence of inflation; or
- A decrease in supplies from smaller producers like the US, Australia and Canada as a result of the declining profitability of silver mining. That, too, will take some time to filter through.

Morocco's largest silver mine is to more than double capacity to 110 tonnes a year by 1988 in an expansion programme costing $34m. Ali Bennani, secretary-general of the Société Metallurgique d'Imiter (SMI), said yesterday, Reuter reports.

The Imiter mine, located near the picturesque oasis of Tinherir east of the Atlas mountains, has ore reserves estimated at 5m tonnes. It was mined in the 12th Century and rediscovered in 1950 when aerial surveys revealed the ancient workings.

EEC milk substitutes test case goes ahead

BY TIM DICKSON IN BRUSSELS

THE long-standing French and German ban on milk imitation products looked a step closer to being overturned yesterday when it emerged that the European Court is refusing to suspend a vital test case.

Last month during the farm price fixing negotiations the European Commission put forward compromise proposals on the thorny question of milk substitutes, at the same time offering to withdraw for the moment a case against France which it has been pursuing since 1984.

Yesterday, however, slightly red faced officials in Brussels disclosed that the court has rejected this overture and intends to publish its decision within the next couple of months. An opinion delivered by the Advocate-General Sir Gordon Slynn in March came down strongly against the French ban and although not binding on the court is on past precedent almost certain to be reflected in the final judgment.

Such a decision would be a blow to both the French and the German governments, which prohibit milk imitation products such as coconut, soya and palm oils on grounds that they further exacerbate already large milk surpluses.

Britain, by contrast, is among those member states which believes that there should be no internal barriers to such sales.

The European Commission, prompted by a Dutch trader, took the case to the European Court in 1984 and followed this up with a similar action against the Germans last year. (By contrast with the French case, the German case is not yet far advanced; the court, moreover, has asked the commission for more information on the German case before deciding what to do next.)

The Commission's view is that consumers should be able freely to buy milk imitation products if they wish but that they should be clearly labelled to avoid confusion. Detailed proposals along these lines were presented to the Council of Ministers in April along with an undertaking to attempt to slow down proceedings in the European Court.

The Commission's case against the French is that their ban contravenes Article 30 of the Treaty of Rome, which supports the free market in goods. Sir Gordon's opinion of March 20 attaches little weight to the French claim that milk is more healthy than substitutes, that the ban is necessary to protect consumers (he believes proper labelling is quite adequate) or that the removal of the ban would significantly swell agricultural surpluses.

WEEKLY METALS

All prices as supplied by Metal Bulletin.

ANTIMONY: European free market, 99.6 per cent, $ per tonne, in warehouse, 2,750-2,810.

BISMUTH: European free market, min 99.99 per cent, $ per lb, tonne lots in warehouse, 2.80-3.00.

CADMIUM: European free market, min 99.95 per cent, $ per lb, in warehouse, ingots, 1.08-1.13, sticks, 1.10-1.15.

COBALT: European free market, 99.5 per cent, $ per lb, in warhouse, 7.40-7.90.

MERCURY: European free market, min 99.99 per cent, $ per flask, in warehouse, 220-230.

MOLYBDENUM: European free market, drummed molybdic oxide, $ per lb Mo, in warehouse, 2.70-2.75.

SELENIUM: European free market, min 99.5 per cent, $ per lb, in warehouse, 5.10-5.70.

TUNGSTEN ORE: European free market, standard min 65 per cent, $ per tonne unit WO, cif, 47-56.

VANADIUM: European Free market, min 98 per cent VO, other sources, $ per lb VO, cif 2.50-2.55.

URANIUM: Nuexco exchange value, $ per lb UO, 17.25

Relaunch for meat futures contracts

BY ANDREW GOWERS

THE London Meat Futures Exchange is to relaunch its troubled live pig and beef contracts next month, but on a cash settlement rather than a delivered basis. In other words, any contracts remaining open at the end of trading for a delivery month will be settled in cash rather than by delivery of the underlying goods.

Officials announced yesterday that the two new contracts—in pigs and cattle—would start trading on June 2.

This follows the exchange's decision to wind down the existing beef and live pig contracts, both of which have hardly done any business since they were launched some months ago. The exchange's existing pig carcase contract, however—which is trading a daily average of a few dozen lots—will continue.

Officials are also considering whether to try and revive a beef deadweight contract, but without any great optimism.

The two new contracts are:

- A live pig contract, based on the United Kingdom Average All Pigs Price in pence per kg.
- A live cattle contract, based on the Meat and Livestock Commission All Centres medium certified steers price (England and Wales).

Both the live pig and the beef contracts have suffered from a lack of trading activity by the industry, although exchange says there has been no shortage of interest in the idea of futures trading in these products among farmers, abattoir owners and meat traders.

"By introducing cash settlement, we are confident that the appeal of the futures market to farmers, abattoirs and users of meat will increase because there is no delivery requirement," said Mr Pat Elmer, LMFE chairman. "Even the small producer will be able to hedge prices successfully for his cattle and pigs in advance, without the risk of being forced to make delivery."

The exchange said it saw no reason why the markets should not attract trading volumes in excess of those on the relatively successful potato futures market which trades alongside them in the Baltic Exchange.

Traders drift back to KLCE

BY WONG SULONG IN KUALA LUMPUR

SLOWLY and cautiously, traders are trickling back to the Kuala Lumpur Commodities Exchange which was reformed and relaunched last October after 20 months of inactivity owing to a massive palm oil default.

But inspite of its ambitions to become an important international commodity trading centre, it remains largely a local market for the moment.

Trading in crude palm oil (cpo) futures has risen steadily from a daily average of 13 lots (of 25 tonnes each) in November to 160 lots in April.

"The KLCE is shaping up very nicely, and confidence is returning to the market," says Datuk Paul Leong, the Malaysian Minister of Primary Industries.

Traders note that even those with outstanding claims from the palm oil default in 1984 are slowly returning.

"A few months ago, we had little reason to spend time at the KLCE. Now, we spend more time there because we find its operations interesting and attractive," said the managing director of a trading company, whose outstanding contracts arising from the 1984 default are now in the courts.

Since the relaunch, the exchange is operating under a very different set of rules designed to ensure fair play, and prevent another default.

The clearing house's paid-up capital has been increased 10 times to 25m ringgit ($10m). More significantly, it now comes under the control of the KLCE to ensure coordination, instead of divergence of interest.

Guarantees are based on a tier system, with the clearing house undertaking to guarantee trades only from clearing members, who in turn guarantee non-clearing members, who will be responsible for the trades of their clients.

Overseas interest in the KLCE is slowly emerging, but for the moment, the exchange is still largely a market for Malaysian palm oil growers and refiners, who need a place to hedge.

Malaysia is the world's biggest palm oil producer. Its output, which will rise to over 6m tonnes by 1995, makes it logical to have a palm oil futures market in Kuala Lumpur.

To attract international interest, the KLCE is planning to introduce, possibly by the end of the year, futures on palm kernel oil and refined palm oil.

Datuk Leong, who led a palm oil promotion mission to the US recently, found that American traders are keen to see contracts on these two products on the KLCE as they would provide a reference and alternative to coconut oil and soyabean oil. The latter is traded in Chicago.

Apart from palm oil, rubber is also being traded on the KLCE, but activity has been sluggish, in spite of the introduction of SMR 20 to supplement RSS one as an additional hedging grade.

Traders complain of the tough contract terms on the KLCE, and prefer to do their business elsewhere. But of late, rubber trading in other centres has also been affected by the strong movements of the Yen and a default on the Singapore rubber exchange.

The KLCE is considering replacing RSS one with RSS 3 to attract Japanese buyers, since RSS3 is the hedging grade on the Tokyo and Kobe Rubber markets.

Another proposal being studied is to reduce the lot size for rubber from 25 tonnes to 5 tonnes to allow wider participation.

Also on the cards is the introduction of futures contracts for tin, cocoa, pepper and plywood. The tin contract has been drafted and — given the present depressed state of the tin market—its launching awaits a more auspicious time.

Dr Mark Powers, an American commodity consultant on whose advice the KLCE was largely restructured, is also confident the Malaysian exchange will develop into a big terminal market in the Far East if it is run carefully.

Apart from urging the KLCE to introduce new commodities for trade, he has even suggested the introduction of cash settlement contracts for commodities, something which most traders and KLCE officials feel is "too advanced" for a fledgling exchange.

For the moment, though, even Datuk Leong acknowledges that the exchange will have to work much harder to earn a reputation for fair play, efficiency and integrity before the large international commodity companies begin to take a real interest.

LONDON MARKETS

CONFUSION reigned on the robusta coffee futures market yesterday as prices sank by £47.50 on the day in the July position to close at £1,961.50. The market has been unsettled by the volatile movements of the past two days in New York, which opened higher than expected then dropped sharply by noon. In London there was a light sell-off towards the close. The sugar futures market moved lower under the influence of commission house and fund selling, but movements were reported to be irregular, reflecting fluctuations in US futures. The October position closed another $5.70 down at $166.40 per tonne. On the London Metal Exchange, aluminium traded uncertainly. Same traders bought and borrowed metal to prepare themselves for the possibility of having to deliver against May options, and the premium for spot metal over the three-months price widened to £15.50 a tonne. This was met by fairly widespread selling as the belief gained ground that fundamentals are less bullish for aluminium than in the first quarter.

LME prices supplied by Amalgamated Metal Trading.

ALUMINIUM

	Unofficial close (p.m.) £ per tonne	+ or −	High/low
Cash	776-8	+10	775 765
3 months	791-2	−3	795/748

Official closing (am): Cash 764-6 (762-3); three months 772-3 (757-8); settlement 766 (763). Final Kerb close: 787-8. Turnover, 31,375 tonnes.

COPPER

Higher grade	Unofficial close	+ or −	High/low
Cash	926-7	−9	921/920
3 months*	938-8	−7.75	942/933

* Grade "A"

Official closing (am): Cash 919.5-20.5 (928-8.5); three months 933.5-4.5 (943-50); settlement 920.5 (928.5). Final Kerb close: 939-9.5.

Cathodes			
Cash	908-10	−11.5	904
3 months*	924-6	−5.5	—

* Standard

Official closing (am): Cash 903-4 (919.2); three months 918-20 (932-8); settlement 904 (902). Turnover: 51,225 tonnes. US Producer prices 66-71 cents per pound.

LEAD

	Unofficial close (p.m.) £ per tonne	+ or −	High/low
Cash	242.5	−2.5	244
3 months	247-7.5	−2	248/246.5

Official closing (am): Cash 245.5-4.5 (245.5-6.5); three months 246.5-7 (249.5-50); settlement 244.5 (246.5). Final Kerb close: 246.8. Turnover: 6,650 tonnes. US Spot: 19-20 cents per pound.

NICKEL

	Unofficial close p.m. £ per tonne	+ or −	High/low
Cash	2665-75	−5	2660/2657
3 months	2725-30	−5	2730/2710

Official closing (am): Cash 2,655-7 (2,695-95); three months 2,711-2 (2,741-2); settlement 2,657 (2,695). Final Kerb close: 2,720-30. Turnover: 636 tonnes.

TIN

Kuala Lumpur Tin Market: Close: 13.99 (14.00) ringgit per kg. down 0.01 ringgit per kg.

ZINC

High grade	Unofficial close (p.m.) £ per tonne	+ or −	High/low
Cash	458-9	−6.5	453
3 months	468.5-9	+5.25	468/461

Official closing (am): Cash 453-4 (451-1.5); three months 465-6 (462-3); settlement 454 (451.5). Final Kerb close: 466-6.5. Turnover: 8,875 tonnes. US Prime Western: 33.50-35.75 cents per pound.

GOLD

Gold fell $1½ an ounce from Monday's close in the London bullion market yesterday to finish at $339-339½. The metal opened at $340¼-341 and traded between a high of $340¾-341¼ and a low of $337¼-337¾. Further liquidation after today's eight-year low at the silver fixing threatened the $338 support level and led to speculation that gold could fall quite quickly.

GOLD BULLION (fine ounce)	May 20	
Close	$339-339½	(£225-226½)
Opening	$340¼-341	(£226¼-226¾)
M'n'g fix	$340.30	(£222.273)
Aft'n'n fix	$338.70	(£222.317)

GOLD AND PLATINUM COINS		
Kr'g'r'nd	$340¾-341¼	(£224-224½)
½ Krug.	$178½-179¾	(£117½-118¼)
¼ Krug.	$90¾-91¼	(£59¾-60¼)
1/10 Krug.	$36¾-37¼	(£24¼-24¾)
Mapleleaf	$351¼-351¾	(£231-231¼)
Angel	$348½-350½	(£229¼-230½)
1/10 Angel	$34-36	(£20¼-23¼)
New Sov.	$81¼-81¾	(£53½-53¾)
Old Sov.	$87-88½	(£57¼-58¼)
$20 Eagle	$430-470	(£282¾-309)
NoblePlat	$414¾-410¼	(£272¾-276¾)

SILVER

Silver was fixed 14.4p an ounce lower for spot delivery in the London bullion market yesterday at 317.7p, its lowest fixing for nearly four years. US cent equivalents of the fixing levels were: spot 485.3c, down 19.7c; three-month 493.55c, down 20.2c; six-month 502.3c, down 20.2c; and 12-month 520.55c, down 20.35c. The metal opened at 320-321½p (489-491c) and closed at 321½-323p (488-491c).

SILVER per troy oz	Bullion Fixing Price	+ or −	L.M.E. p.m. Unoffic'l	+ or −
Spot	317.70p	−14.4	318.20p	−6
3 months	325.60p	−14.5	327.90p	−6
6 months	333.30p	−15.0	—	—
12 months	348.60p	−15.5	—	—

LME — Turnover: 2 (33) lots of 10,000 ozs.

Three months high 327p, low 326.5p, final Kerb 327-8p.

RUBBER

PHYSICALS—The London market opened unchanged, met good covering interest throughout the day and closed on a steady note, reports Lewis and Peat. Closing prices (buyers): Spot 57.50p (57.00p); June 55.25p (54.75p); July 55.00p (54.50p). The Kuala Lumpur fob price (Malaysian cents per kg): RSS No. 1 was 199.5 (same) and SMR 20 185.0 (184.5).

FUTURES—Index 538, June 538-545, July-Sept 540-545, Oct-Dec 544-546, Jan-March 554-559, April-June 565-575, July-Sept 567-577. Sales: 8.

INDICES

REUTERS

May 19	May 16	M'th ago	Year ago
1765.0	1764.5	1795.0	1844.4

(Base: September 18 1931=100)

DOW JONES

Dow Jones	May 15	May 14	Month ago	Year ago
Spot	128.25	128.66	—	118.35
Fut.	121.81	122.26	—	122.36

(Base: December 31 1931=100)

MAIN PRICE CHANGES

In tonnes unless otherwise stated.

	May 20 1986	+ or −	Month ago
METALS			
Aluminium			
Free Market	$1282/582	+7	$1315/535
Copper			
Cash h Grade	£926.5	−9	£948.5
3 mths	£938.5	−7.75	£962.5
Gold Troy oz	$339.25	−1.75	$345.5
Lead Cash	£243	−2.5	£241.5
3 mths	£247.25	−2	£249.25
Nickel			
Free Mkt	184/204c	−3	175/185c
Palladium oz	$107.50	−1.35	$108.75
Platinum oz	$404.00	−6.5	$416.50
Quicksilver†	$220/230	.....	$220/230
Silver troy oz	317.70p	−14.4	336.70p
3 months	325.60p	−14.5	344.80p
Tin			
free mkt	£3488/520	+10	£5750/85
Tungsten	$56.13	−2.94	$62.07
Wolfram 22.04lb	$45/55	.....	$45/55
Zinc	£458.5	+6.5	£420.5
3 months	£468.75	+5.25	£440.25
producers	$700/730	.....	$650/700
OILS			
Coconut (Phil)	$237.5x	.....	$280
Palm Malayan	$245z	.....	$255
Copra Phil	$145x	.....	$180
Soyabean (U.S.)	$149x	−5	$151
GRAINS			
Barley Fut. Sept.	£98.00	−0.15	£99.80
Maize	£138.00	—	£143.75
Wheat Fut July	£114.65	+0.25	£119.35
No. 2 Hard Wint.	‡	.....	‡
OTHERS			
Cocoa Ft. July	£1293.5	+6	£1445.5
Coffee Ft. July	£1961.5	−47.5	£2311.5
Cotton A Ind.*	40.15c	−0.25	47.85c
Gas Oil July	$136.5	−2	$125
Rubber (kilo)	57.5p	+0.5	56.5p
Sugar (raw)	$177u	−10	$107
Wooltops 64s	423p kilo	.....	422p kilo

‡ Unquoted. † Per 75-lb flask. c Cents per pound. w June. x May-June. z July. u June-July. * Cotton Outlook.

COCOA

Opening lower, as due, futures traded in a narrow range for much of the day but rallied quite strongly late in the afternoon and closed at the highs. Producers were absent but some light consumer offtake was seen at the lows, reports Gill and Duffus.

COCOA	Yesterday's Close £ per tonne	+ or −	Business Done
May	1277-1285	−2.0	1285-1265
July	1293-1294	+2.0	1295-1272
Sept.	1315-1316	+3.5	1318-1295
Dec.	1360-1361	+10.0	1358-1335
March	1381-1382	+11.0	1384-1364
May	1408-1414	+10.5	1414-1385
July	1423-1429	+8.0	1405

Sales: 3,083 (1,222) lots of 10 tonnes.

ICCO indicator prices (US cents per pound). Daily price for May 20: 86.06 (85.77); five-day average for May 21: 86.12 (86.27).

COFFEE

A weak New York close caused futures to open £50-60 lower in thin conditions and prices fell a further £30 almost immediately on commission house selling, reports Drexel Burnham Lambert. Further selling pressure accompanied a weak New York opening but solid trade support initiated a rally on both markets and at the close short-covering left values little different from opening levels.

COFFEE	Yesterday Close	+ or −	Business Done
May	1910-1915	−41.5	1935-1865
July	1960-1965	−47.5	1975-1904
Sept.	1996-2000	−55.0	2025-1945
Nov	2046-2050	−53.5	2065-2000
Jan	2073-2082	−51.5	2085-2035
Mar.	2105-2110	−39.0	2105-2055
May	2130-2140	−45.0	2100

Sales: 5,655 (3,335) lots of 5 tonnes.

ICO indicator prices (US cents per pound) for May 19: Comp daily 1979 171.87 (179.54); 15-day average 184.69 (186.28).

SOYABEAN MEAL

Firmer nearby cash prices and weaker sterling kept values steady. Commercial buying against light speculative selling were the only features, reports Muirpace.

	Latest close £ per tonne	+ or −	Business Done
June	126.9-127.3	+1.80	127.8-126.8
August	124.3-124.2	+1.65	124.1-123.5
October	124.5-125.0	+1.25	124.5
Dec.	126.6-127.0	+1.15	—
Feb.	128.6-129.3	+0.78	—
Apr.	129.5-130.8	+0.40	—
June	129.3-130.8	+0.15	—

Sales: 148 (55) lots of 20 tonnes.

GRAINS

Old crop wheat found July profit-taking on the buy side against speculative selling, while new crops steadied on consumer short-covering after an early sell-off, reports T. G. Roddick.

	WHEAT		BARLEY	
Mnth	Yesterday close	+ or −	Yesterday close	+ or −
May	110.00	—	119.00	−0.50
July	114.65	+0.25	—	—
Sept.	98.50	+0.05	98.00	−0.35
Nov	102.10	+0.05	101.10	−0.35
Jan	105.30	+0.10	104.66	−0.25
Mar	108.00	—	107.05	−0.45

LONDON GRAINS—Wheat: US Dark Northern Spring no 1 15 per cent June 118.00, July 110.00, Aug 103.50 transhipment east coast. US no 2 Soft Red Winter July 92.50, Aug 93.00. EEC May 130.00. English feed fob May 117.25-118.00, June 118.50-119.00, Sept 101.00-101.50, Oct-Dec 105.00-106.00, Jan-March 110.00-111.00 buyer/seller. Maize: US no 3 Yellow/French transhipment east coast May 138.00. Barley: English feed fob May 121.00, July-Aug 100.00, Aug 99.50, Sept 101.00, Oct-Dec 105.50, Jan-March 110.50 sellers.

HGCA—Locational ex-farm spot prices. Feed barley: S East 115.80, N West 114.20. The UK monetary coefficient for the week beginning Monday May 26 (based on HGCA calculations using five days' exchange rates) is expected to be unchanged.

Business done—Wheat: May 118.00, July 114.70-4.60, Sept 99.60-9.40, Nov 102.05-2.00, Jan 105.30-5.15, March 107.80. Sales: 155 lots of 100 tonnes. Barley: May 118.00, Sept 98.10-9.00, Nov 101.40-1.20, Jan 104.50-4.45, March 107.25-7.15. Sales: 52 lots of 100 tonnes.

MEAT

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 102.56p per kg lw (+1.99); GB—Sheep 248.14p per kg est dcw (−18.98); GB—Pigs 78.42p per kg lw (−0.33).

	PIGMEAT		BEEF	
Month	Y'days close	+ or −	Y'days close	+ or −
May	—	—	—	—
June	103.90	+0.60	194.50	+0.50
July	102.60	−0.60	181.00	+1.00
Aug	100.00	−3.80	127.90	+2.00
Sep	107.60	−0.30	185.80	+0.80

Pigmeat prices closed lower due to light profit-taking, reports Eastern Capital CCST.

Pigmeat sales: 25 (63) lots of 50 carcases, 3,250 kg.

Beef sales: 0 (0) lots of 20 sides.

POTATOES

Heavy rain lifted a nervous market, and with stop-loss buying above £120 basis April, afternoon trade was very strong, reports Coley and Harper.

Month	Yesterdays close	Previous close	Business done
	£ per tonne		
Nov	91.80	96.30	91.80-86.50
Feb	99.50	98.00	96.00
Apr	125.90	116.60	120.00-118.50
May	137.00	126.00	127.90
Nov	87.90	87.50	—

Sales: 1,276 (339) lots of 40 tonnes. Earlies—July 108.50. Sales: 0 lots of 10 tonnes.

FREIGHT FUTURES

Rumours of further erosion of rates for Gulf/Japan undermined dry cargo futures. Short-covering interest emerged to stabilise values. Tanker futures rose against continued firm inquiry from prime loading areas, reports Clarkson Wolff.

	Close	High/Low	Prev.
Dry Cargo			
July	642/643	645/630	661/656
Oct.	730/731	761/725	740/740
Jan.	750/705	749	760/763
April	709/799	800/795	805/820
July	700/725	—	700/720
Oct.	780/830	—	790/810
Jan.	800/852.5	—	825/890
Apr.	900	—	850/805
BFI	664.6	—	664.0

Turnover: 263 (275).

	Close	High/Low	Prev.
Tankers			
May	1140/1170	1145/1140	1135/1128
June	1040/1050	1060/1040	1000/1050
July	1050/1060	1040	1000/1060
Sep	1050/1100	—	950/1100
Dec	1060/1100	—	1050/1095
Mar	1175	—	1075/1120
BTI	1136.9	—	1110.5

Turnover: 74 (52).

SUGAR

Tate & Lyle delivery price for granulated basis sugar was £222.00 (£228.50) a tonne for export.

No. 6 Contract	Yesterday close	Previous close	Business done
	$ per tonne F.O.B.		
Aug	160.4-160.6	165.0-166.0	167.6-158.4
Oct	166.6-166.4	172.4-172.2	174.2-164.2
Dec	168.0-170.0	176.2-177.6	175.0
Mar	174.2-174.4	181.2-181.6	185.6-175.0
May	177.4-179.0	184.0-185.6	186.6-173.0
Aug	182.0-185.0	188.0-200.0	184.0
Oct	186.6-189.8	205.0-205.0	—

Sales: 6,933 (3,132) lots of 50 tonnes.

LONDON DAILY PRICE—Raw sugar $177.00 (£115.50), down $10.00 (down £8.00) a tonne for June-July delivery. White sugar $197.50, down $6.50.

The market came under renewed pressure from fund liquidation and prices fell to new lows for the move, reports C. Czarnikow.

International Sugar Agreement—(US cents per pound fob and stowed Caribbean ports). Prices for May 18: Daily price 7.20 (7.60); 15-day average 8.18 (8.22).

No. 9 cif contract—Aug 175.0-80.0; Oct 183.0-5.0. Sales, 6 lots of 50 tonnes.

PARIS—(FFr per tonne): Aug 1,385-1,388, Oct 1,425-1,430, Dec 1,440-1,469, March 1,475-1,490, May 1,515-1,530.

OIL

	Latest	Change + or −
CRUDE OIL—FOB ($ per barrel)—June		
Arab Light	—	—
Arab Heavy	—	—
Dubai	12.35-12.45	+0.25
Brent Blend	16.15-16.20	−0.275
W.T.I. (1pm est)	16.85-17.05	+0.20
Forcados (Nigeria)	—	—
Urals (cif NWE)	—	—
PRODUCTS—North West Europe Prompt delivery cif ($ per tonne)		
Premium gasoline	200-204	—
Gas Oil	136-138	−1
Heavy fuel oil	50-52	+2
Naphtha	144-146	−5

Petroleum Argus estimates

Turnover: 1,266 (1,799) lots of 100 tonnes.

Crude trading was sparse following Monday's burst of activity. Refiners held off from the dated market. Trade in forward Brent was concentrated in July and prices were down 20c-40c from Monday's peak. Nymex WTI for June opened at 31c down and traded 38c down at 1.30 EDT. In the products markets, gas oil and naphtha prices fell slightly on good supply and minimal trader demand. Prices for most other products were stable—Petroleum Argus, London.

GAS OIL FUTURES

Month	Ystrday's Close	+ or −	Business Done
	$ US per tonne		
June	137.50	−1.25	140.50-35.50
July	136.50	−2.00	140.00-35.00
Aug	137.50	−0.25	140.50-36.00
Sep	138.00	−0.75	139.00-36.75
Oct	140.00	−0.00	140.75-38.00
Nov	141.00	+0.50	141.00
Dec	141.00	+0.75	—

JUTE

...JUTE—May-June C and F Dundee BTC $420, BWC $420, BTD $380, BWD $360; C and F Antwerp BTC $400, BWC $400, BWD $350, BTD $350.

US MARKETS

A STRONGER DOLLAR and lower oil prices weighed on the precious metal markets except for silver where traders took short profits from Monday's sharp drop, reports Heinold Commodities. Copper continued to fall in line with weaker LME prices. In the absence of adverse weather conditions in Brazil coffee remained locked in the 4c limit down in the deferred months, but the free ranging months recovered some of their earlier losses. Cocoa erased earlier losses buoyed by industry and trade buying and local short-covering. Sugar registered further sharp declines in response to massive fund liquidations wiping out earlier gains. Energy futures traded limit-down with trade covering out of the way and new shorts in the market. The soyabean complex closed mixed. Soyabeans were supported by mostly local buying and expectation of a tightening cash situation.

NEW YORK

ALUMINIUM 40,000 lbs, cents/lb

	Close	High	Low	Prev
May	53.60	—	—	54.50
June	53.60	—	—	54.50
July	53.65	54.35	53.60	54.55
Sept	53.70	54.25	53.60	54.55
Dec	53.96	54.05	54.05	54.75
Jan	54.00	—	—	54.80
March	54.05	—	—	54.85
May	54.15	—	—	54.95
July	54.20	—	—	55.00
Sept	54.25	—	—	55.05

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
July	1789	1820	1722	1748
Sept	1847	1880	1785	1808
Dec	1900	1905	1835	1859
March	1945	1950	1884	1902
May	1976	1903	1902	1938
July	2004	1985	1985	1981
Sept	2020	2018	1978	1983

COFFEE "C" 37,500 lbs, cents/lb

	Close	High	Low	Prev
May	204.05	207.25	202.00	208.90
July	205.15	212.75	204.25	209.93
Sept	218.43	216.43	216.43	220.43
Dec	221.05	221.05	221.05	225.06
March	222.96	—	—	226.99
May	224.40	224.40	224.40	228.40
July	228.45	—	—	230.45
Sept	230.44	—	—	234.44

COPPER 25,000 lbs, cents/lbs

	Close	High	Low	Prev
May	61.80	62.20	61.80	62.45
June	62.00	—	—	62.60
July	62.25	62.60	62.00	62.85
Sept	62.65	62.95	62.50	63.20
Dec	63.10	63.35	63.10	63.65
Jan	63.25	—	—	63.80
March	63.55	63.90	63.70	64.10
May	63.85	64.10	64.00	64.40
July	64.15	64.30	64.30	64.70
Sept	64.45	—	—	65.00

CRUDE OIL (LIGHT) 42,000 US gallons, $/barrels

	Latest	High	Low	Prev
June	16.28	17.10	16.27	17.18
July	15.51	16.30	15.51	16.51
Aug	15.03	15.80	15.03	16.03
Sept	14.73	15.40	14.73	15.73
Oct	14.50	15.25	14.50	15.60
Nov	14.35	15.10	14.35	15.36
Dec	14.22	15.09	14.20	15.20
Jan	14.07	14.80	14.07	15.07
Feb	14.00	14.90	13.95	14.95
March	13.87	14.80	13.87	14.87

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
May	339.0	338.0	339.0	339.9
June	339.8	340.1	337.7	340.7
July	341.4	—	—	340.1
Aug	343.0	343.2	340.5	343.5
Oct	346.3	346.3	344.5	347.1
Dec	349.8	350.0	347.5	350.5
Feb	353.5	353.5	351.5	354.2
April	357.1	—	—	357.8
June	360.8	360.0	359.3	361.5
Aug	364.9	—	—	365.8
Oct	368.9	368.0	367.0	369.6
Dec	373.2	371.7	371.7	373.8
Feb	377.7	376.0	373.5	378.3

HEATING OIL 42,000 US gallons, cents/US gallons

	Latest	High	Low	Prev
June	43.75	45.10	43.10	45.51
July	43.14	44.75	43.14	45.14
Aug	43.30	44.80	43.30	45.30
Sept	43.95	45.40	43.80	45.80
Oct	44.55	46.00	44.25	46.20
Nov	45.00	46.50	44.55	46.65
Dec	45.25	46.60	45.05	46.95
Jan	45.25	46.80	45.25	47.00
Feb	46.25	46.50	45.70	46.55

COTTON 50,000 lbs, cents/lb

	Close	High	Low	Prev
July	37.43	37.45	36.45	37.08
Oct	36.65	37.00	36.50	37.15
Dec	36.73	37.25	36.65	37.17
March	37.72	37.85	37.72	38.12
May	38.45	—	—	38.87
July	39.20	39.50	39.00	39.35
Oct	39.90	—	—	39.32

ORANGE JUICE 15,000 lbs, cents/lb

	Close	High	Low	Prev
July	99.00	99.50	98.10	99.00
Sept	98.35	99.00	98.00	98.70
Nov	98.50	99.00	98.00	98.20
Jan	98.90	99.25	98.40	98.50
March	99.50	99.50	99.00	99.10
July	100.50	100.50	—	100.10
Sept	100.50	—	—	100.10

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
May	400.4	404.0	398.0	403.3
June	403.0	—	—	404.9
July	404.1	406.0	396.0	406.0
Oct	406.5	408.5	397.5	409.1
Jan	409.5	411.0	403.0	412.1
April	412.6	412.5	404.5	415.1

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
May	494.4	495.0	484.2	505.4
June	496.6	491.8	487.0	496.6
July	498.5	500.5	487.0	498.5
Sept	504.8	507.0	493.0	498.9
Dec	514.1	518.0	503.0	529.2
Jan	517.2	513.5	510.5	508.5
March	523.3	519.5	511.0	519.7
May	529.8	532.0	520.0	521.3
July	530.4	532.5	530.6	528.0
Sept	543.2	541.0	530.0	535.6

SUGAR WORLD "11" 112,000 lbs, cents/lb

	Close	High	Low	Prev
July	7.01	7.27	6.98	7.32
Sept	7.26	7.52	7.20	7.45
Oct	7.40	7.57	7.29	7.64
Jan	7.85	7.85	7.48	7.73
March	7.95	8.00	7.78	8.05
July	8.19	8.30	8.05	8.39
Sept	8.30	—	—	8.60
Oct	8.47	8.47	8.47	8.73

CHICAGO

LIVE CATTLE 40,000 lbs, cents/lbs

	Close	High	Low	Prev
June	56.02	56.92	55.87	56.65
Aug	51.95	53.15	51.30	52.95
Oct	51.77	52.60	51.70	52.30
Dec	53.70	54.60	53.70	54.10
Feb	54.42	54.85	54.40	54.65
April	55.42	55.70	55.35	55.40
June	56.20	56.30	56.00	56.40

LIVE HOGS 30,000 lbs, cents/lbs

	Close	High	Low	Prev
June	48.77	49.40	48.60	48.77
July	47.47	48.25	47.32	47.77
Aug	45.25	45.62	44.95	45.12
Oct	41.15	41.60	41.10	40.95
Dec	41.92	42.00	41.85	42.25
Feb	41.87	42.45	41.75	42.10
April	38.80	39.20	38.80	39.17
June	41.05	41.15	40.85	41.15
July	41.10	41.10	40.85	41.02

MAIZE 5,000 bu min, cents/56lb-bushel

	Close	High	Low	Prev
May	257.0	260.4	253.0	257.6
July	238.4	239.6	237.4	237.4
Sept	206.0	207.2	205.2	205.8
Dec	199.2	200.4	197.8	198.8
March	208.0	209.4	207.2	207.6
May	213.2	214.0	212.4	213.2
July	213.4	214.8	213.0	213.2

PORK BELLIES 38,000 lbs, cents/lbs

	Close	High	Low	Prev
May	83.50	85.10	83.50	84.55
July	63.50	65.20	63.27	64.72
Aug	61.32	62.70	61.25	62.12
Feb	59.50	60.25	59.40	59.85
March	58.65	59.20	58.65	58.70
May	60.50	—	—	60.50

SOYABEANS 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
May	534.4	536.4	532.4	534.4
July	531.4	532.4	529.0	531.2
Aug	527.4	529.0	525.2	527.2
Sept	518.0	521.0	516.4	519.0
Nov	514.0	515.4	513.8	517.0
Jan	526.0	529.0	524.0	527.6
March	535.2	538.0	533.4	537.4
May	541.4	544.4	540.0	542.4
July	542.4	—	—	544.4

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
May	149.4	151.5	147.0	147.0
July	149.8	150.0	148.7	149.1
Aug	149.6	150.2	148.4	149.0
Sept	149.0	150.0	149.0	149.0
Oct	149.8	149.8	148.7	149.0
Dec	150.2	151.0	149.5	150.7
Jan	150.7	152.0	150.5	151.0
March	153.2	153.5	153.0	153.7
May	159.5	—	—	159.5

SOYABEAN OIL 60,000 lbs, cents/lbs

	Close	High	Low	Prev
May	17.50	17.56	17.40	17.49
July	17.80	17.82	17.60	17.70
Aug	17.92	17.92	17.70	17.79
Sept	17.92	17.95	17.75	17.80
Oct	17.92	17.96	17.70	17.89
Dec	18.17	18.20	17.95	18.03
Jan	18.26	18.30	18.10	18.12
March	18.60	18.60	18.45	18.42
May	18.90	18.90	18.80	18.72

WHEAT 5,000 bu min, cents/60 lb bushel

	Close	High	Low	Prev
May	258.0	258.0	259.0	259.0
July	259.4	266.4	258.0	262.2
Sept	258.6	266.0	257.4	262.6
Dec	268.4	274.8	267.0	271.0
March	269.4	276.2	268.0	272.0
May	261.0	268.0	260.0	264.0

SPOT PRICES—Chicago loose lard 10.50 (same) cents per pound. Handy and Harman silver bullion 487.0 (498.5) cents per troy ounce.

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CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Better GNP boosts dollar

The dollar improved quite sharply and finished towards the best level of the day, following an unexpected upward revision in the US first quarter GNP figure. Most people had been looking for a downward revision of the previous 3.2 per cent estimate to nearer 2.8 per cent but yesterday's figure showed a rise to 3.7 per cent.

This found some dealers wrong footed and prompted a good deal of short covering so that the dollar threatened to move outside its recent trading range, touching a high of DM 2.2460 against the D-mark and Y168.70 against the yen. It closed at DM 2.2410 up from DM 2.2255 on Monday and its best closing level for a month. Against the yen it finished at Y168.65 compared with Y168.25. Elsewhere it rose to SFr 1.8690 from SFr 1.8610 and FFr 7.1375 from FFr 7.0900. On Bank of England figures, the dollar's exchange rate index rose from 115.0 to 115.4.

Despite the dollar's recovery, it was still too early to decide whether the dollar had found a floor level after its decline over the past eight months. There was still some weight to various comments by leading US officials which were sufficiently vague to be open to different interpretations. Much will depend now on how the US economy performs over the next few months and how much the current scenario has appeased the protectionist lobby within the US.

STERLING — *Trading range against the dollar in 1986 is 1.5555 to 1.3770. April average 1.4988. Exchange rate index 76.4 up from an opening level of 76.3 on Monday's close of 76.1. The six months ago figure was 79.9.*

Sterling held its own against a much stronger dollar and consequently showed useful gains against its major European trading partners. Higher oil prices and the absence of any cut in UK clearing bank base rates helped to underpin the pound. It closed at $1.5170, little changed from $1.5180 on Monday, but rose to DM 3.40 from DM 3.3775 and Y255.75 compared with Y255.50. Elsewhere it improved to SFr 2.8350 from SFr 2.8250 and FFr 10.8275 from FFr 10.7625.

D-MARK — Trading range against the dollar in 1986 is 2.4710 to 2.1640. April average 2.2723. Exchange rate index 134.6 against 127.6 six months ago.

The D-mark fell quite sharply against the dollar in Frankfurt yesterday in reaction to better than expected US first quarter GNP figures. The dollar closed at DM 2.2400 up from DM 2.2110 on Friday. Markets were closed on Monday for Whitsun. The unexpected rise prompted short-covering in an otherwise thin market and helped to push the dollar to its best level for a month.

JAPANESE YEN — Trading range against the dollar in 1986 is 202.70 to 161.05. April average 175.05. Exchange rate index 204.5 against 179.0 six months ago.

Trading was subdued in Tokyo yesterday ahead of the US GNP figures. The yen was slightly weaker against the dollar with some dealers suggesting that the Bank of Japan may have bought small amounts of dollars. The US unit rose to Y167.30 up from Y166.80 in New York and Y168.15 in Tokyo on Monday. Once again there was sufficient uncertainty surrounding the dollar to keep it within its recent trading range.

£ IN NEW YORK

Latest	May 20	Prev. close
£ Spot	$1.5210-1.5220	$1.5530-1.5540
1 month	0.47-0.44pm	0.47-0.46pm
3 months	1.20-1.16pm	1.21-1.10pm
12 months	5.60-5.56pm	5.47-5.57pm

Forward premiums and discounts apply to the U.S. dollar.

POUND SPOT—FORWARD AGAINST POUND

May 20	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.5150-1.5330	1.5165-1.5175	0.46-0.43c pm	3.52	1.19-1.15 pm	3.09
Canada	2.0790-2.1040	2.0790-2.0820	0.39-0.30c pm	1.97	0.90-0.70 pm	1.58
Nethlnd.	3.80½-3.85	3.82¾-3.83¾	1⅝-1¼c pm	4.12	4-3⅞ pm	4.12
Belgium	68.82-69.68	69.30-69.40	17-11c pm	2.42	43-34 pm	2.22
Denmark	12.49½-12.60	12.56¼-12.57¼	3¼-2¼ore par	3.11	9½-7½ pm	2.67
Ireland	1.1010-1.1215	1.1186-1.1196	0.10ppm-par	0.54	0.15-0.05dis	−0.18
W. Ger.	3.37½-3.41½	3.39½-3.40½	1¾-1⅝pf pm	5.96	4¾-4½ pm	0.44
Portugal	222.32-229.67	226.48-229.67	80-315c dis	−10.49	275-890dis	−10.31
Spain	214.81-216.09	210.54-216.09	25-65c dis	−2.51	65-180 dis	−2.28
Italy	2,317¼-2,341¼	2,329½-2,330½	2-7lire dis	−2.32	7-13 dis	−1.72
Norway	11.51-11.58¼	11.51¾-11.52¾	3⅝-4¼ore dis	−3.97	9¾-13¼ dis	−4.10
France	10.76-10.86½	10.82¼-10.83¼	3½-2¾c pm	3.26	8⅝-7½ pm	2.89
Sweden	10.86¾-10.93	10.87½-10.88½	⅝-1¼ore dis	−1.03	1½-2½ dis	−0.76
Japan	253¾-256½	255¾-256¾	1½-1¼y pm	0.88	3½-3¼ pm	0.29
Austria	23.72-23.87	23.83-23.87	11¼-9⅞gro pm	5.47	32¼-27¼ pm	0.02
Switz.	2.82-2.84¼	2.83-2.84	1⅞-1¼c pm	0.94	3⅞-3¼ pm	5.39

Belgian rate is for convertible francs. Financial franc 69.75-69.85. Six-month forward dollar 2.10-2.06c pm. 12-month 3.45-3.35c pm.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

May 20	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.5150-1.5330	1.5165-1.5175	0.46-0.43c pm	3.52	1.19-1.15 pm	3.09
Ireland†	1.3535-1.4000	1.3990-1.4000	0.50-0.30c pm	3.48	1.20-0.85 pm	2.98
Canada	1.3700-1.3772	1.3710-1.3720	0.16-0.19c dis	−1.53	0.50-0.55dis	−1.53
Nethlnd.	2.4990-2.5300	2.5225-2.5235	0.17-0.14c pm	0.74	0.75-0.70 pm	1.10
Belgium	45.10-45.82	45.65-45.75	3-5c dis	−1.06	8-12 dis	−0.89
Denmark	8.17¾-8.33½	8.28¼-8.28¾	par-½ore dis	−0.37	1½-1¾dis	0.43
W. Ger.	2.2085-2.2460	2.2405-2.2415	0.50-0.47pf pm	2.74	1.35-1.30 pm	2.50
Portugal	148¼-150	149½-150	100-250c dis	−14.15	300-700dis	−13.48
Spain	140.24-142.40	141.95-142.10	70-120c dis	−8.08	170-220 dis	−5.52
Italy	1,516-1,537	1,535½-1,536½	6½-8½lire dis	−0.91	17-20 dis	−4.86
Norway	7.53-7.61	7.58¼-7.58¾	4½-5ore dis	−7.55	12½-10 dis	−7.28
France	7.04-7.18	7.13½-7.14	0.05-0.20c dis	−0.21	0.20-0.50dis	−0.19
Sweden	7.10¾-7.19	7.17-7.17½	2½-2¾ore dis	−4.50	6¾-7¼ dis	−3.92
Japan	166.40-168.70	168.60-168.70	0.35-0.30y pm	2.33	0.96-0.91 pm	2.19
Austria	15.53-15.78½	15.74-15.76	3-2gro pm	1.92	9-7 pm	2.05
Switz.	1.8445-1.8720	1.8685-1.8695	0.39-0.34c pm	2.36	1.12-1.07 pm	2.36

† UK and Ireland are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 45.95-46.05.

EXCHANGE CROSS RATES

May 20	£	$	DM	YEN	F Fr.	S Fr.	H Fl.	Lira	C $	B Fr.
£	1.	1.517	3.400	255.8	10.83	2.835	3.828	2330.	2.082	69.30
$	0.659	1.	2.241	168.7	7.138	1.869	2.523	1536.	1.372	45.70
DM	0.294	0.446	1.	75.22	3.185	0.834	1.126	685.3	0.612	20.40
YEN	3.910	5.928	13.29	1000.	42.34	11.08	14.97	9110.	8.139	271.2
F Fr.	0.924	1.401	3.140	236.2	10.	2.618	3.535	2108.	1.922	64.06
S Fr.	0.353	0.535	1.199	90.21	3.819	1.	1.350	821.0	0.734	24.46
H Fl.	0.261	0.396	0.888	66.82	2.829	0.741	1.	608.8	0.544	18.19
Lira	0.429	0.651	1.459	109.8	4.647	1.217	1.643	1000.	0.893	29.76
C $	0.480	0.729	1.633	122.9	5.202	1.362	1.839	1119.	1.	33.32
B Fr.	1.443	2.187	4.903	368.8	15.61	4.088	5.519	3360.	3.001	100.

Yen per 1,000: French Fr per 10: Lira per 1,000: Belg Fr per 100.

EURO-CURRENCY INTEREST RATES

May 20	Short term	7 Days notice	1 Month	Three Months	Six Months	One Year
Sterling	10¾-11	10½-10¾	10 7/16-10 9/16	10 7/16-10 9/16	10-10⅛	9 13/16-9 15/16
U.S. Dollar	6 15/16-7 1/16	6 15/16-7 1/16	7-7⅛	7-7⅛	7 1/16-7 3/16	7¼-7⅜
Can Dollar	7⅛-8⅜	7⅞-8⅜	8 1/16-8 3/16	8⅜-8⅝	8⅛-8¾	8¾-9
D Guilder	6¾-7	6¼-6½	6 5/16-6 7/16	6 5/16-6 7/16	5 15/16-6 1/16	5 13/16-5 15/16
Sw. Franc	2-2¼	1⅞-2⅛	4¼-4⅞	4¾-4⅞	4⅛-4⅝	4⅜-4½
Deutschmrk	4 3/16-4 5/16	4 1/16-4 3/16	4 5/16-4 7/16	4⅜-4½	4⅜-4½	4 5/16-4 7/16
Fr. Franc	7⅛-7¼	7⅛-7¼	7⅛-7¼	7 3/16-7 5/16	7 3/16-7 5/16	7¼-7⅜
Italian Lire	12-14	12½-14½	12-13	11⅞-12⅜	11⅞-12⅜	11⅞-12⅜
B.Fr.(Fin)	8¼-8½	8¼-8½	7¾-8	7⅞-8⅛	7⅜-7⅞	7⅜-7⅝
B.Fr.(Con)	8-8½	8-8½	7⅞-8⅜	6¾-7¼	7½-8	7⅜-7⅞
Yen	4¼-4⅜	4⅝-4¾	4 11/16-5 1/16	4⅝-4 15/16	4 11/16-5	4 11/16-5 1/16
D. Krone	8⅛-8⅝	7⅞-8⅜	7⅞-8⅜	7¾-8¼	7¾-8¼	8-8½
Asian $ (Sng)	7-7⅛	7-7⅛	7-7⅛	7 1/16-7 3/16	7 1/16-7 3/16	7¼-7⅜

Long-term Eurodollars: two years 7⅞-8⅛ per cent; three years 8⅛-8⅜ per cent; four years 8⅜-8⅞ per cent; five years 8⅞-9⅛ per cent nominal. Short-term rates are call for US dollars and Japanese yen; others, two days' notice.

CURRENCY MOVEMENTS

May 20	Bank of England Index	Morgan Guaranty Change%
Sterling	76.4	−14.9
U.S. dollar	115.4	+6.9
Canadian dollar	79.4	−11.8
Austrian schilling	135.5	+7.1
Belgian franc	95.2	−7.4
Danish Krone	85.5	−1.5
Deutsche mark	134.6	+14.4
Swiss franc	160.3	+10.0
Guilder	124.4	+9.0
French franc	68.9	−15.6
Lira	46.1	−18.0
Yen	204.5	+40.8

Morgan Guaranty changes: average 1980-1982=100. Bank of England index (base average 1975=100).

CURRENCY RATES

May 20	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.766228	0.634651
US $	6½	1.16960	0.969118
Canadian $	8.69	*	1.33311
Austria Sch	4	18.2278	15.1878
Belgian Fr	8½	52.9808	43.0202
Danish Kr	7	9.59230	7.96610
D'mark	3½	2.59637	2.15191
Guilder	4½	2.92450	2.42414
French Fr	9½	N/A	6.85685
Lira	13	"	1475.47
Yen	3½	195.474	161.842
Norway Kr.	8	8.81013	7.31728
Span'h Pta.	—	164.701	137.548
Swedish Kr	8	N/A	6.90977
Swiss Fr	4	2.16647	1.79451
Greek Drch	20½	N/A	134.808
Irish Punt	—	"	0.707123

* C$/SDR rate for May 20: N/A

OTHER CURRENCIES

May 20	£	$
Arg'tina	1.2937-1.2960	0.8500-0.8510
Aus'alia	2.0980-2.1020	1.3805-1.3815
Brazil	20.85-21.09	13.77-13.84
Finland	7.8240-7.8370	5.1480-5.1600
Greece	209.55-214.19	137.15-140.04
H'kong	11.9000-11.9160	7.8115-7.8155
Iran	120.0*	79.10*
Kuwait	0.4465-0.4475	0.2945-0.2955
Lux'burg	69.30-69.40	45.65-45.75
Malaysia	3.9600-3.9700	2.6050-2.6100
N'Z'land	2.7105-2.7180	1.7825-1.7870
Saudi Ar.	5.6570-5.6670	3.7500-3.7515
Sin'pore	3.3770-3.3875	2.2245-2.2295
S Af. (Cm)	3.4395-3.4470	2.2680-2.2700
S Af. (Fn)	5.4835-5.6240	3.6715-3.7035
U.A.E.	5.5765-5.5865	3.6715-3.6740

* Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu May 20	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	43.6761	43.9202	+0.56	+0.56	±1.5388
Danish Krone	7.91896	7.96610	+0.60	+0.60	±1.6408
German D-mark	2.13834	2.15191	+0.63	+0.63	±1.1202
French Franc	6.96280	6.85685	−1.52	−1.52	±1.3701
Dutch Guilder	2.40935	2.42414	+0.61	+0.61	±1.5081
Irish Punt	0.712956	0.707123	−0.82	−0.82	±1.6669
Italian Lire	1496.21	1475.47	−1.39	−1.39	±4.0788

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

FINANCIAL FUTURES

Strong sentiment

Long-term gilt futures gained ground, to finish at the day's high, while US Treasury bond futures weakened slightly on the day, but recovered strongly, in spite of an unexpected upward revision in first-quarter US gross national product growth.

Long gilts and US bonds for June delivery opened weaker, to nervous trade, ahead of the GNP figure. Various leaks of the figure were rumoured, but traders generally expected a downward revision to about 2.5 per cent to 3.0 per cent, from the earlier estimate of 3.2 per cent. When a rise of 3.7 per cent was announced, June bonds fell sharply to the day's low of 93-17, but rebounded within about 20 minutes to the day's peak of 94-21, before closing at 94-16, compared with 95-05 previously.

Dealers commented that the initial reaction in Chicago to the GNP news was to expect bond futures to go limit down, but this did not happen, and the recovery reflected strong buying, as stop loss points were triggered.

Gilt futures were very resilient. Fading hopes of lower UK bank base rates, some nervousness about the pound, and the US GNP figure, failed to depress the contract. June long-term gilts opened at the day's low of 123-31, and improved to close at the high of 124-27, compared with 123-29 on Monday. Underlying sentiment was very strong.

LIFFE LONG GILT FUTURES OPTIONS

Strike price	Calls—Last June	Sept	Dec	Mar	Puts—Last June	Sept	Dec	Mar
116	8.54	9.38	—	—	0.00	0.30	—	—
118	6.54	7.57	—	—	0.00	0.51	—	—
120	4.54	6.22	—	—	0.00	1.16	—	—
122	2.54	4.63	—	—	0.00	1.57	—	—
124	0.63	3.51	—	—	0.09	2.46	—	—
126	0.05	1.52	—	—	1.16	3.46	—	—
128	0.00	2.02	—	—	3.10	4.80	—	—
130	0.00	1.28	—	—	0.10	0.20	—	—

Estimated volume total, Calls 1,211, Puts 480
Previous day's open int. Calls 10,972, Puts 3,840

LIFFE US TREASURY BOND FUTURES OPTIONS

Strike price	Calls—Last Sept	Dec	Mar	June	Puts—Last Sept	Dec	Mar	June
88	6.61	7.10	—	—	1.09	2.06	—	—
90	5.35	5.57	—	—	1.47	2.53	—	—
92	4.20	4.50	—	—	2.32	3.46	—	—
94	3.17	3.53	—	—	3.29	4.49	—	—
96	2.27	3.01	—	—	4.39	5.61	—	—
98	1.47	2.21	—	—	5.59	7.17	—	—
100	1.14	1.50	—	—	7.26	—	—	—
102	0.63	—	—	—	0.01	—	—	—

Estimated volume total, Calls 137, Puts 246
Previous day's open int. Calls 593, Puts —

LIFFE £/$ OPTIONS
£25,000 (cents per £1)

Strike price	Calls—Last June	July	Aug	Sept	Puts—Last June	July	Aug	Sept
1.30	21.95	—	—	21.95	0.00	—	—	0.08
1.35	16.95	16.95	—	18.95	0.00	0.05	—	0.29
1.40	11.95	11.95	11.95	11.95	0.03	0.29	0.78	0.83
1.45	6.95	7.27	7.69	7.53	0.33	1.03	1.87	2.03
1.50	3.13	3.95	4.64	4.56	1.56	2.71	3.82	4.05
1.55	0.98	1.80	2.62	2.48	4.41	5.56	6.70	8.98
1.60	0.20	0.87	1.22	1.21	8.83	0.43	10.40	10.71

Estimated volume total, Calls 497, Puts 285
Previous day's open int. Calls 4,107, Puts 5,437

LONDON SE £/$ OPTIONS
£12,500 (cents per £1)

Strike price	Calls—Last June	July	Aug	Sept	Puts—Last June	July	Aug	Sept
1.30	24.80	—	—	24.80	0.15	—	—	0.25
1.35	22.20	—	—	19.80	0.20	—	—	0.50
1.40	12.40	12.40	0.00	12.40	0.20	0.70	0.00	1.40
1.45	8.10	8.60	0.00	9.20	0.50	1.10	1.90	2.60
1.50	3.90	4.60	5.40	5.80	1.60	2.40	3.80	4.30
1.55	1.10	2.30	3.00	3.60	4.20	5.70	0.30	7.00
1.60	0.50	1.00	1.60	2.00	0.20	0.00	10.00	10.40

Previous day's open int. Calls 4,949, Puts 4,002
Volume, 55

PHILADELPHIA SE £/$ OPTIONS
£12,500 (cents per £1)

Strike price	Calls—Last June	July	Aug	Sept	Puts—Last June	July	Aug	Sept
1.30	22.00	—	—	21.80	—	—	—	0.20
1.35	17.00	17.10	—	16.80	—	0.05	—	0.40
1.40	12.00	11.10	—	11.90	0.05	0.20	—	1.00
1.45	7.20	7.50	7.70	8.30	0.25	0.80	1.60	2.30
1.50	3.15	3.95	4.70	5.10	1.40	2.20	3.60	4.30
1.55	0.90	1.80	2.40	3.00	4.20	5.16	6.15	6.90
1.60	0.20	0.70	1.20	—	17.70	8.50	9.30	—

Previous day's open int. Calls 1,206, Puts 613
Previous day's volume. Calls 42,215, Puts 38,606

LIFFE—EURODOLLAR OPTIONS
$1m points of 100%

Strike price	Calls—Last June	Sept	Dec	Mar	Puts—Last June	Sept	Dec	Mar
91.00	1.88	1.81	—	—	0.00	0.01	—	—
91.50	1.38	1.33	1.20	—	0.00	0.03	0.15	—
92.00	0.88	0.89	0.82	—	0.00	0.09	0.37	—
92.50	0.41	0.51	0.51	—	0.03	0.21	0.46	—
93.00	0.09	0.24	0.28	—	0.21	0.44	0.73	—
93.50	0.00	0.08	0.13	—	0.62	0.78	1.08	—
94.00	0.00	0.02	0.05	—	1.12	1.22	1.50	—

Previous day's open int. Calls 3,904, Puts 3,045
Volume, 218

CHICAGO

US TREASURY BONDS (CBT)
8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	94-17	94-19	93-19	94-28
Sept	93-24	93-28	91-16	94-03
Dec	92-31	93-00	91-31	93-09
March	92-04	92-04	91-11	92-19
June	91-13	91-13	90-23	91-25
Sept	90-27	90-27	89-25	91-04
Dec	90-05	90-05	89-10	90-17
March	89-20	89-20	89-01	90-00
June	89-05	89-05	88-29	89-17
Sept	—	—	—	—
Dec	88-13	88-13	88-05	88-25

US TREASURY BILLS (IMM)
$1m points of 100%

	Latest	High	Low	Prev
June	93.74	93.75	93.69	93.78
Sept	93.78	93.79	93.71	93.80
Dec	93.68	93.70	93.63	93.72
March	93.48	93.50	93.43	93.54
June	93.21	93.28	93.17	93.30
Sept	92.93	92.96	92.93	93.06
Dec	92.73	92.83	92.70	92.85
March	92.53	92.53	92.50	92.85

CERT. DEPOSIT (IMM)
$1m points of 100%

	Latest	High	Low	Prev
June	—	—	—	93.19
Sept	—	—	—	93.14
Dec	—	—	—	91.98
March	—	—	—	93.14

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

	Latest	High	Low	Prev
June	92.97	92.99	92.81	92.89
Sept	92.81	92.82	92.71	92.81
Dec	92.64	92.68	92.56	92.66
March	92.38	92.41	92.32	92.42
June	92.08	92.11	92.00	92.13
Sept	91.78	91.78	91.71	91.86
Dec	91.51	91.58	91.44	91.91
March	91.29	91.30	91.20	91.38

LONDON

20-YEAR 12% NOTIONAL GILT
£50,000 32nds of 100%

	Close	High	Low	Prev
June	124-27	124-27	123-31	123-29
Sept	125-03	125-03	124-07	124-03
Dec	125-02	—	—	124-02
March	124-30	—	—	123-30

Est. Volume 11,356 (8,516)
Previous day's open int 12,512 (12,636)
Basis quote (clean cash price of 13% Treasury 2004/08 less equivalent price of near futures contract) —4 to 4 (32nds).

THREE-MONTH STERLING
£500,000 points of 100%

	Close	High	Low	Prev
June	89.88	89.90	89.80	89.85
Sept	90.63	90.63	90.49	90.62
Dec	90.87	90.89	90.76	90.86
March	90.85	90.86	90.77	90.75
June	90.70	90.70	90.62	90.64

Est. Volume 5,381 (2,548)
Previous day's open int 18,522 (18,337)

10% NOTIONAL SHORT GILT
£100,000 64th of 100%

	Close	High	Low	Prev
June	102-50	102-60	102-41	102-35
Sept	103-19	—	—	102-60

Est. Volume 93 (86)
Previous day's open int. 1,370 (1,398)

FT-SE 100 INDEX
£25 per full index point

	Close	High	Low	Prev
June	159.20	159.50	158.40	158.25
Sept	161.45	161.50	161.50	160.50
Dec	163.95	—	—	163.00

Est. Volume 374 (248)
Previous day's open int. 2,569 (2,500)

THREE-MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev
June	92.88	92.88	92.82	92.91
Sept	92.80	92.81	91.71	92.86
Dec	92.65	92.68	92.55	92.74
March	92.40	92.46	92.34	92.52
June	92.12	92.18	92.15	92.25
Sept	91.90	—	—	92.03
Dec	91.67	—	—	91.80

Est. Volume 6,086 (3,510)
Previous day's open int 21,808 (22,068)

US TREASURY BONDS
8% $100,000 32nds of 100%

	Close	High	Low	Prev
June	94-10	94-21	93-17	95-05
Sept	93-26	93-29	93-29	94-17
Dec	93-02	—	—	93-25

Est. Volume 10,949 (8,129)
Previous day's open int. 8,298 (8,666)

CURRENCY FUTURES

POUND—$ (FOREIGN EXCHANGE)

Spot	1-mth.	3-mth.	6-mth.	12-mth.
1.5170	1.5125	1.5053	1.4963	1.4830

IMM—STERLING $e per £

	Latest	High	Low	Prev
June	1.5156	1.5250	1.5115	1.5315
Sept	1.5060	1.5140	1.5005	1.5205
Dec	1.5000	1.5020	1.4860	1.5115

LIFFE—STERLING £25,000 $ per £

	Close	High	Low	Prev
June	1.5157	1.5298	1.5150	1.5149
Sept	1.5050	1.5088	1.5086	1.5044
Dec	1.4970	—	—	1.4960

Est. Volume 47 (4)
Previous day's open int. 1,987 (1,988)

STERLING INDEX

	May 20	Previous
8.30 am	76.3	76.0
9.00 am	76.3	76.0
10.00 am	76.5	76.0
11.00 am	76.4	76.0
Noon	76.4	76.2
1.00 pm	76.4	76.2
2.00 pm	76.4	76.1
3.00 pm	76.5	76.1
4.00 pm	76.4	76.1

MONEY MARKETS

Rate hopes setback on US news

Interest rates had a slightly firmer tone on the London money market yesterday, with three-month interbank rising to 10 7/16-10 9/16 per cent from 10¼-10⅜ per cent. Attention was focused on the revised first quarter US gross national product figure. This rose to 3.7 per cent from 3.2 per cent, compared with most forecasts of a small decline in growth from the previous estimate. The rise was seen as a further setback to hopes of lower US interest rates, following last Thursday's unexpectedly sharp rise of $6.1bn in weekly US M1 money supply. With sterling steady, to firm, on the foreign exchanges, there were no domestic factors to influence the market, but dealers felt the latest news from the US confirmed that UK clearing bank base rates are unlikely to be reduced in the near future.

The Bank of England forecast a money market shortage of £400m, but changed this to £300m in the afternoon. Total help of £333m was provided. Before lunch the authorities bought £273m bills outright, by way of £188m bank bills in band 2 at 10 7/16 per cent; £45m Treasury bills in band 3 at 10⅜ per cent; £41m bank bills in band 3 at 10⅜ per cent; and £1m bank bills in band 4 at 10 5/16 per cent.

The Bank of England did not buy any more bills from the market in the afternoon, but provided late assistance of around £60m.

Bills maturing in official hands, repayment of late assistance and a take-up of Treasury bills drained £413m, with bank balances below target absorbing another £275m. These factors outweighed Exchequer transactions adding £290m to liquidity and a fall in the note circulation of £15m.

In Frankfurt call money was little changed around 4 per cent, in comfortable conditions on the money market. In spite of this banks did not take up the German Bundesbank's offer to absorb surplus liquidity through sales of three-day Treasury bills at 4 per cent. A tender for a 34-day securities repurchase agreement, at a fixed rate of 4.35 per cent, will take place today, and the authorities are not expected to fully replace the DM 10.1bn draining from the market, when a 35-day agreement expires tomorrow. The market is expecting a new allocation of about DM 5bn.

UK clearing bank base lending rate 10½ per cent since April 21

MONEY RATES

May 20	Ov'r-night	One Month	Two Months	Three Months	Six Months	Lombard Inv'tn
Frankfurt	3.90-4.10	4.55-4.70	4.50-4.65	4.50-4.65	4.50-4.60	6.0
Paris	7¼	7⅛-7¼	7 1/16-7 3/16	7 1/16-7 3/16	6 15/16-7 1/16	7¼
Zurich	⅞-1⅛	4½-4⅝	—	4½-4⅝	—	—
Amsterdam	7-7⅛	6⅛-5⅞	—	5⅞-6	5⅝-5¾	—
Tokyo	4.03125	4.59375	—	4.65625	—	—
Milan	13-13⅜	12-13⅜	—	12½-12⅞	—	—
Brussels	8⅛	8-8⅛	—	7⅞-8	—	—
Dublin	10⅝-10⅞	10⅝-10⅞	10⅛-10⅜	10-10¼	9¾-10	—

NEW YORK RATES

(Lunchtime)

Prime rate	8½
Broker loan rate	7¾
Fed funds	6 13/16
Fed funds at intervention	6 13/16
Treasury Bills & Bonds	
One month	5.88
Two month	6.25
Three month	6.43
Six month	6.57
One year	6.77
Two year	7.29
Three year	7.51
Four year	7.76
Five year	7.91
Seven year	7.97
10 year	8.00
30 year	7.70

FT LONDON INTERBANK FIXING

(11.00 a.m. May 20)

Three months US dollars		Six months US dollars	
bid 7 1/16	Offer 7 3/16	bid 7 1/16	Offer 7 3/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

LONDON MONEY RATES

May 20	Over night	7 days notice	Month	Three Months	Six Months	One Year
Interbank	9-10¾	10¼-10⅝	10 7/16-10 9/16	10¼-10 7/16	9 15/16-10⅛	9¾-9 15/16
Sterling CDs	—	—	10 7/16-10⅜	10⅛-10¼	9⅞-10	9 13/16-9 15/16
Local Authority Depos	10½-10¾	10¼-10½	10½	10⅜	10	9⅝
Local Author'y Bonds	—	—	10¾	10⅛	10⅛	9¾
Discount Mkt Depos	10⅝	10⅜-10½	10¼	9¾	—	—
Company Depos	9-10¼	10¾-10⅞	10⅝	10½	—	—
Finance House Depos	—	—	10⅛	10⅛	10⅛	9⅞
Treasury Bills (Buy)	—	—	10 3/16	9 13/16	—	—
Bank Bills (Buy)	—	—	10 7/16	10 1/16	9⅝	—
Fine Trade Bills (Buy)	—	—	10 11/16	10 5/16	10⅛	—
Dollar CDs	—	—	6.85-6.90	6.90-6.95	6.90-6.95	7.10-7.15
SDR Linked Depos	—	—	6⅛-6¼	6⅛-6¼	6½-6¾	6⅛-6¼
ECU Depos	—	—	7⅝-7¾	7½-7⅝	7⅜-7½	7¼-7⅜

Treasury Bills (sell): one-month 10 1/32 per cent; three-month 9 31/32 per cent. Bank Bills (sell): one-month 10 5/16 per cent; three months 10 per cent. Treasury Bills: Average tender rate at discount 9.8001 per cent. ECGD Fixed Finance Scheme IV reference date April 2 to May 6 (inclusive) 10.527 per cent.

Local authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 11½ per cent from May 1 1986. Bank Deposit Rate for sums at seven days' notice 5½-6 per cent. Certificates of Tax Deposits (Series 0): Deposit £100,000 and over held under one month 10½ per cent; one-three months 10¼ per cent; three-six months 10 per cent; six-nine months 9¾ per cent; nine-12 months 9¼ per cent. Under £100,000 9¼ per cent from May 14. Deposits held under Series 5 6¼ per cent. Deposits withdrawn for cash 6 per cent.

Company Notices

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED

Sterling Floating Rate Notes due 1997

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the period from 14th May, 1986 to 14th August, 1986 has been fixed at 10.3125 per cent per annum.

On 14th August, 1986 Interest of sterling 129.97 per sterling 5,000 nominal amount of the Notes, and Interest of sterling 649.83 per sterling 25,000 nominal amount of the Notes, will be due against Coupon No. 7.

SWISS BANK CORPORATION
INTERNATIONAL LIMITED
Reference Agent

Halifax Building Society

Floating Rate Loan Notes 1996

For the three month period from 20th May, 1986 to 20th August, 1986 the Notes will bear interest at the rate of 10 7/16 per cent. per annum. The Coupon amounts will be £133.12 per £5,000 Note and £1,331.16 per £50,000 Note, payable on 20th August, 1986.

Morgan Grenfell
& Co. Limited
Agent Bank

LONDON SHARE SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1986 High	Low	Stock	Price £	+ or -	Yield Int.	Red.
99¼	98¼	Treas 8½pc 1984-86‡‡	99¼	+	8.52	10.44
102	100	Exch 14pc 1986	101		13.75	9.60
98	94	Exch. 2½pc 1986	98	+	2.54	5.95
102	100	Exch 13¼pc 1987	102		12.95	9.52
100	97	Treas. 10½pc Cv 87	100		10.20	9.44
96	92	Exch 2½pc 1987	96		2.59	6.85
101	97	Exch. 10½pc 1987	100	+	10.41	9.39
98	93	Funding 6½pc '85-87‡‡	98		6.60	8.23
101	96	Treas. 10pc 1987	100	+	9.95	9.27
96	90	Treas 3pc 1987	96	+	3.12	6.61
104	99	Treas. 12pc 1987	103	+	11.55	9.04
99	92	Treas 7¾pc 1985-88‡‡	98	+	7.83	8.42
104	96	Exch 10½pc '88	102		10.20	8.83
102	95	Treas 9½pc Cv 88	101	+	9.60	8.92
92	86	Transport 3pc '78-88	92	+	3.22	6.66
102	93	Treas 9½pc '88	101	+	9.39	8.96
107	98	Treas 11½pc 1989	106	+	10.83	8.91
103	93	Treas 9½pc Cnv. '89	102	+	9.30	8.65
91	82	Treas 3pc 1989	91	+	3.27	6.22
105	95	Treas 10½pc 1989	104	+	10.07	8.90
104	94	Exch 10pc 1989	102	+	9.72	8.86
107	97	Exch 11pc 1989	103	+	10.39	8.91
93	84	Treas 5pc 1986-89	93	+	5.37	7.27
110	94	Exch 10½pc Cv '89	107	+	9.53	7.66
114	103	Treas 13pc 1990‡‡	112	+	11.54	8.85
108	97	Exch 11pc 1990‡‡	106	+	10.31	8.84
113	101	Exch. 12½pc 1990	111	+	11.19	8.82
88	79	Treas. 3pc 1990	88	+	3.39	6.34
100	89	Treas 8¼pc 1987-90‡‡	99	+	8.28	8.37
106	93	Treas. 10pc Cv 1990	104	+	9.57	8.75
85	76	Exch 2½pc 1990	85	+	2.93	6.36
112	99	Treas 11¾pc 1991	110	+	10.60	8.82
94	83	Funding 5¾pc '87-91‡‡	93	+	6.12	7.26

Five to Fifteen Years

1986 High	Low	Stock	Price £	+ or -	Yield Int.	Red.
110	96	Exch. 11pc 1991	109	+	10.06	8.78
118	103	Treas 12¾pc 1992‡‡	116	+	10.92	8.91
107	92	Treas 10pc 1992	105	+	9.48	8.75
109	96	Treas 10½pc Cv 1992‡‡	107	+	9.76	8.83
117	101	Exch. 12¼pc '92	115	+	10.63	9.01
123	106	Exch 13½pc 1992	121	+	11.14	9.03
108	94	Treas 10pc 1993	105	+	9.48	8.91
120	103	Treas 12½pc 1993‡‡	118	+	10.56	8.96
92	78	Funding 6pc 1993‡‡	90	+	6.64	7.74
126	109	Treas 13¾pc 1993‡‡	124	+	11.01	9.10
133	114	Treas 14½pc 1994‡‡	130	+	11.12	8.98
127	108	Exch 13½pc 1994	124	+	10.85	9.09
122	101	Exch 12½pc 1994	119	+	10.47	9.11
104	86	Treas 9pc 1994‡‡	101	+	8.87	8.78
120	101	Treas 12pc 1995	116	+	10.30	9.19
78	68	Gas 3pc '90-95	77		3.87	6.33
110	92	Exch. 10¼pc 1995	107	+	9.56	9.07
126	106	Treas 12¾pc 1995‡‡	122	+	10.39	9.11
133	113	Treas. 14pc '96	129	+	10.79	9.27
103	86	Treas 9pc 1992-96‡‡	100	+	8.97	8.91
142	120	Treas 15¼pc 1996‡‡	138	+	11.02	9.26
130	110	Exch 13¼pc 1996‡‡	126	+	10.49	9.18
84	74	Redemption 3pc 1986-96	83		3.59	5.06
106	106	Conversion 10pc 1996	106		9.43	9.09
131	110	Treas 13¼pc 1997‡‡	127		10.43	9.21
112	94	Exch 10½pc 1997	109	+	9.62	9.14
101	84	Treas 8¾pc 1997‡‡	98	+	8.89	8.97
143	120	Exch 15pc 1997	138		10.83	9.42
107	89	Exch 9¾pc 1998	104	+	9.39	9.14
88	72	Treas 6¾pc 1995-98‡‡	85	+	7.88	8.71
148	125	Treas. 15½pc '98‡‡	144		10.74	9.35
124	103	Exch. 12pc 1998	119	+	10.03	4.29
107	89	Treas 9½pc 1999‡‡	103		9.21	9.07
126	105	Exch. 12¼pc 1999	122		10.03	9.26
114	94	Treas. 10½pc 1999	110	+	9.52	9.11
112	93	Conversion 10¼pc 1999	108	+	9.46	9.15
57	50	Cnv 9pc 2000 'A' (£50pd)	53	+	9.02	9.03
133	111	Treas 13pc 2000	129	+	10.08	9.28
111	92	Treas 10pc 2001	107	+	9.33	9.11

Over Fifteen Years

1986 High	Low	Stock	Price £	+ or -	Yield Int.	Red.
137	115	Treas. 14pc '98-01	133	+	10.52	4.35
109	90	Conversion 9¾pc 2001	105	+	9.25	9.09
124	104	Exch. 12pc '99-02	120	+	9.99	9.26
111	92	Conversion 10pc 2002	107	+	9.30	9.09
109	90	Treas 9¾pc 2002	105	+	9.23	9.08
139	116	Treas. 13¾pc 2000-03	134	+	10.20	9.29
112	93	Treas 10pc 2003	108	+	9.25	9.06
123	102	Treas. 11½pc 2001-04	118	+	9.69	9.17
112	92	Treas. 10pc 2004	108	+	9.25	9.08
60	49	Funding 3½pc 99-04	57	+	6.07	7.95
108	88	Conversion 9½pc 2004	103		9.17	9.09
108	89	Conversion 9½pc 2005	103	+	9.17	9.09
72	60	Cnv. 9½pc '05 'A' (£60pd)	67	+	9.12	9.01
117	97	Exch 10½pc 2005	112	+	9.39	9.06
133	111	Treas. 12½pc 2003-05	128		9.71	9.17
95	78	Treas. 8pc 2002-06‡‡	91	+	8.78	8.95
107	106	Conversion 9¾pc 2006	106	+	9.16	9.05
126	105	Treas. 11¾pc 2003-07	121	+	9.65	9.17
143	118	Treas. 13½pc '04-08	137	+	9.80	9.16
25	21	Tr 8pc 2009 (£25pd)	21	+	8.69	8.82
71	57	Treas 5½pc 2008-12‡‡	67	+	8.13	8.63
93	76	Treas. 7¾pc 2012-15‡‡	88	+	8.74	8.84
136	112	Exch. 12pc '13-'17	130	+	9.19	8.99

Undated

1986 High	Low	Stock	Price £	+ or -	Yield Int.	Red.
47	38	Consols 4pc	45		8.81	—
42	13	War Loan 3½pc‡‡	40	−	8.72	—
53	45	Conv 3½pc '61 Aft	52		6.73	—
35	28	Treas 3pc '66 Aft	34		8.82	—
29	24	Consols 2½pc	28		8.70	—
29	23	Treas 2½pc	28		8.70	8.75

Index-Linked

1986 High	Low	Stock	(b)	Price £	+ or -	(1)	(2)
122	115	Treas. 2pc '88	(297.1)	122	−	2.94	3.61
106	99	Do 2pc '90	(333.9)	106	−	3.14	3.51
121	108	Do. 2pc '96	(267.9)	121	−	3.38	3.52
107	94	Do 2½pc '01	(308.8)	107	−	3.36	3.43
107	93	Do 2½pc '03	(310.7)	106	−	3.29	3.39
110	96	Do 2pc '06	(274.1)	£10	−	3.23	3.31
106	92	Do 2½pc '09	(310.7)	105	−	3.19	3.27
111	96	Do 2½pc '11	(294.1)	111	−	3.17	3.24
93	80	Do 2½pc '13	(351.4)	93	−	3.10	3.17
101	87	Do 2½pc '16	(322.0)	101	−	3.11	3.16
100	86	Do 2½pc '20	(327.3)	99	−	3.06	3.11

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base month for indexing, ie 8 months prior to issue. RPI for September 1985; 376.5 and for April 1986; 385.3.

INT. BANK AND O'SEAS GOVT STERLING ISSUES

1986 High	Low	Stock	Price £	+ or -	Yield Int.	Red.
116	94	African Dv Bk 11½Ln 2010	111		9.99	9.87
111	93	Asian Dev Bk 10½Ln2009	106		9.66	9.58
136	113	Australia 13½pc 2010	132		10.17	9.90
319	100	Do 11½pc Ln2015	315		9.84	9.74
117	97	Euro Inv Bk 11pc Ln 2002	112		9.76	9.44
112	92	Do 10¼pc 2004	108		9.61	9.45
127	105	Int-Am Dev Bk 12½pc 2003	123		10.06	9.56
104	85	Do. 9¼pc Ln 2015	101		9.61	9.59
103	100	Int Bank 14pc Ln 1987	103		13.54	9.80
93	85	Mirva 10¾pc Ln 2009	90		11.88	11.97
102	97	Do. 12¼pc Ln '88	102		11.98	10.94
103	92	Mex 16½pc 2008	101	+1	16.34	15.77
104	101	NZ 14¼pc 1987	104		13.67	10.13
116	97	Do 11½pc 2008	112		10.01	9.85
119	99	Do 11½pc 2014	116		9.91	9.81
135	113	Sweden 13½pc Ln 2010	132	+	10.17	9.89
114	93	Do 11pc Ln 2012	110	−	9.97	9.88

CORPORATION LOANS

1986 High	Low	Stock	Price £	+ or -	Yield Int.	Red.
112	103	Birmingham 13½pc 1989	111xd		12.11	9.56
120	100	Do 11½pc 2012	117xd		9.82	9.69
103	100	Burnley 13pc 1987	102xd		12.69	10.45
100	98	Cardiff 11pc 1986	99		11.03	11.48

AMERICANS—Cont.

1986 High	Low	Stock	Price £	+ or -	Div Gross	C'vr	Y'ld Gr's
38	31	Campbell Soup 30c	33½	−	$1.32	—	2.7
36	27	Caterpillar Tractors	33½	+	50c	—	1.0
610c	30c	Cenergy Corp 25c	468p	+16	4c	—	0.6
32	24	Chase Mhtn $12.5	26	−	h$2.05	—	5.3
37	29	Chemical New York	32		$2.60	—	5.4
32	26	Chesebrough Pond $1	32	−	$2.00	—	4.2
31	19	Chrysler $6¼	23		60c	—	1.9
42	31	Citicorp $4	36xd		$2.26	—	4.2
11	7	CityFed Fin Corp	10		40c	—	2.7
26	21	Colgate-P $1	24	−	$1.36	—	3.8
51	42	Cont Inds $1	44	−	$2.50	—	3.8
32	25	Con Frechtwys $0.625	28	−	$1.10	—	2.7
819p	479p	Cont Illinois Corp $1	509p	−9	—	—	—
891p	481p	Cont Illinois Hldgs $1	41p		—	—	—
64p	39p	Corporate Data Sciences	48p		—	—	—
32	28	Crown Zell. 35	30½	−	$1.00	—	2.2
13	795p	Cullinet Sftwr $0.1	994p	+15	—	—	—
287p	114p	Damson Oil 40c	123p	−8	—	—	—
23	18	Dana Corp $1	19	+	$1.28	—	4.5
33	24	Data General	26	+	—	—	—
241p	156p	Derma-Lock Medical	371p		—	—	—
75	55	Dun & Bradstreet $1	69	+	$1.88	—	1.8
52	43	Eaton Corpn 50c	44	+	$1.60	—	2.5
39	35	Exxon	38	+	$3.60	—	6.9
22	19	FPL Group $0.01	20	−	$2.04	—	7.0
27	12	Fairmont Fin	17	−	—	—	—
11	655p	Fin Corpn. Amer. 50c	723p	−50	—	—	—
22	19	First Chicago $5	20	+	$1.32	—	4.4
56	37	Ford Motor $2	50	+	$3.30	—	4.5
28	20	GATX 62½c	22	−	$1.20	—	3.7
53	47	Gen. Elect. $1¼	50	+	$2.32	—	3.2
60	48	Gillette $1	55	−	$2.72	—	3.3
19	15	Gt Am First Svgs Bk $1	17xd	−	40c	—	1.5
30	23	Gt. Western Fin $1	25		$1.20	—	—
33	23	Hasbro Inc $0.50	31	+	15c	—	0.3
57	47	Honeywell $1.50	49	+	$2.00	—	2.8
28	24	Hospital Corp Am $1	26	−	50c	—	1.3
22	19	Houston Inds Incl	19xd	+	$2.80	—	9.8
112	94	IBM Corpn $1.25	94	−	$4.40	—	3.2
32	25	IC Industries	28	+	$1.44	—	3.5
32	25	ITT Corpn $1	29		$1.00	—	2.3
314p	141p	Imatron Inc	271p	−9	—	—	—
46	36	Ingersoll-Rand $2	40xd		$2.60	—	4.4
16	12	Iesica $1	14	−	$1.00	—	4.7
12	981p	IU Intnl. $1.15	10xd		60c	—	4.0
40	31	Lockheed Crpn. $1	35	+	$1.00	—	1.9
29	20	Lone Star Ind. $1	22		$1.90	—	5.8
22	16	Louisiana Land $0.15	19	−	$1.00	—	3.5
28	17	Lowe's 50c	24		40c	—	1.1
38	28	Manuf. Hanover $7½	34		$3.24	—	6.5
30	22	Merrill Lynch $1	23xd	+	80c	—	2.3
46p	2p	Microcomputer Mems.	2p		—	—	—
57	42	Morgan (JP) $2.5	54	+	$2.45	—	3.1
41	32	NYNEX $1	39	−	$6.96	—	0.1
28	21	PHH	23	+	$1.00	—	5.0
15	13	Pacific Gas & Elec $5	14		$1.72	—	8.4
65	54	Pacific Telesis $0.10	63	−	$6.08	—	6.5
29	19	Pall Corp. 25c	25	−	38c	—	1.0
57	31	Pennzoil 83½c	33	+1	$2.20	—	4.5
52	40	Pillsbury	49	−1	$1.72	—	2.4
48	38	Quaker Oats $5	45	−1	$1.40	—	2.1
42	26	Rep NY Corpn $5	30		h1.09	—	—
13	11	Revnord $5	11xd	−	44c	—	2.6
32	24	Rockwell Intl. $1	30xd	+	$1.20	—	2.7
25	19	Rohr Inds Inc $1	21		—	—	—
42	33	Sara Lee $1⅓	39	−	$1.60	—	2.8
12	11	Saul (B F.) $1	11		20c	—	1.2
64	55	Southwestern Bell $1	61		$6.40	—	7.1
48	32	Sperry Corpn $0.30	48	+	$1.92	—	2.7
36	29	Sun Co Inc. $1	31xd		$3.00	—	6.5
70	57	TRW Inc. $1¼	64	+	$3.00	—	3.2
28	23	Tenneco $5	24xd	+	$3.04	—	8.5
163	135	Do 10pcLn Stk. 91-5	148		10%	—	16.9
22	18	Texaco $6.25	21	+	$3.00	—	9.5
52	41	Time Inc. $1	48	−	$1.00	—	1.4
15	12	Tracor $0.33⅓	13		36c	—	1.9
27	21	Transamerica $1	21		$1.68	—	5.3
32	25	Transworld Corp $5	28	−	60c	—	1.4
16	975p	Union Carbide $1	15	+	90c	—	4.1
57	30	Utd Tech	31xd	−	$1.40	—	3.1
18	12	US Steel $1	13	+	$1.20	—	6.1
68	58	US West	64		$6.08	—	6.4
53	40	Woolworth $3½	53		$2.24	—	2.9

CANADIANS

1986 High	Low	Stock	Price £	+ or -	Div Gross	C'vr	Y'ld Gr's
321p	20p	Abbot Energy Corp.	25p		—	—	—
663p	380p	Amer. Barrick Res.	663p		—	—	—
17	13	Bk Montreal Il	15		$1.96	—	6.0
713p	595p	Bk. Nova Scot Il	688p		66c	—	4.7
20	18	BCE Il	18		$2.28	—	5.8
787p	457p	Bow Valley Il	544p		20c	—	1.8
13	11	Brascan Il	£11		80c	—	3.3
305p	265p	Bramalea Res.	284p	−6	—	—	—
10	837p	Can Imp.Bk $2	927p		h$1.04	—	5.4
909p	771p	Can. Pacific Il	795p		64c	—	2.9
39	36	Do. 4pc Deb £100	39		4%	—	10.2
11	900p	Echo Bay Mines	900p		20c	—	1.1
500p	350p	Golden Sceptre Res.	365p		—	—	—
500p	350p	Goliath Gold Mines	375p		—	—	—
425p	300p	Granges Expl.	320p		—	—	—
32p	18p	Gt Pacific Res	26p		—	—	—
12	702p	Gulf Can Il	735p		52c	—	3.4
14	10	Hawker Sid Canil	14		96c	—	3.2
260p	100p	Heelys Group	210p		—	—	—
15	11	Hudson's Bay Il	14		60c	—	2.0
25	19	Imperial Oil	20		s$1.60	—	3.7
11	839p	Inco Eng.Il	855p		US$0.20	—	1.6
12	550p	Intl. Corona Res	10		—	—	—
575p	500p	Inland Nat. Gas $1	550p		60c	—	5.2
180p	126p	Massey-Ferguson	167p		—	—	—
202p	145p	Moscocho Explr.	150p		—	—	—
13	10	Rio Algom	31		65c	—	2.8
17	13	Royal Bk. Can. Il	15		$2.00	—	6.3
39	30	Seagram Il	36		US$0.80	—	1.5
13	10	Toronto-Dom. Bk. Il	11xd		84c	—	3.4
988p	815p	Trans Can Pipe	867p		$1.12	—	6.2

BANKS, HP & LEASING

1986 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
297	210	ANZ $A1	255	−8	Q31c	3.1	6.0	5.4
£160	£141	Algemene Fl 100	£143		027%	◆	5.0	◆
250	190	Allied Irish	223	+3	050.47	4.0	5.2	6.4
80	63	Ansbacher (H.) 1p	80	+2	—	—	—	—
£21	890	Banco de Bilbao S.A.	£20	−	028%	◆	3.3	◆
£16	£10	Banco de Santander	£15	−	017.0%	2.0	2.4	20.9
520	358	Bank Ireland Ir£1	445		0.13%	◆	6.0	◆
950	800	Bank Leumi	800		—	—	—	—
260	230	Bk. Leumi (UK) £1	240		13.2	—	6.7	—
466	365	Bank Scotland £1	385		14.0	3.2	5.1	8.4
589	433	Barclays £1	502		18.6	3.7	5.2	7.2
655	410	Brown Shipley £1	610	+5	9.25	—	2.1	—
146	103	Business Mort Tst	130	−2	1.51	◆	1.6	◆
645	425	Cater Allen £1	575	−5	C30.0	—	10.9	—
90	67	Charterh Securities	89		R2.3	2.5	3.5	13.8
50	33	Clive Discount 20p	49		42.5	—	‡	—
73	47	Comm. Bk of Wales	62		2.4	2.3	5.5	10.2
£22	£16	Commerzbk DM10	£18	−	016%	—	2.6	—
£27	£22	C'hgn Hdl Kr100	£22	−1	015%	7.3	5.8	2.1
£264	£217	Deutsche Bk DM50	£232	−11	024%	—	1.3	—
117	91	English Trust	116		2.73	2.6	3.3	16.6
212	142	First Nat. Fin. 10p	196	+1	2.8	4.4	2.0	11.9
£132	£113	Do 6.3pc CnvCnvRedPf	£113	−1	6.3%	—	7.9	—
28	17	First Pacific HK50c	26		03.85c	3.4	10.2	2.9
390	295	Gerrard & National	340	−2	13.2	—	5.5	—
102	76	Goode D'l Mry 5p	82		1.75	—	3.0	—
102	66	Guinness Peat	93	+1	1.9	2.4	2.9	16.5
315	162	Hambros 5p	227		16.5	—	4.0	—
430	333	Hill Samuel	375	+5	11.55	—	4.3	—
64	53	HK & Shang. HK$2.50	58		H30c	—	5.9	—
440	318	Joseph (Leo) £1	440	+10	11.25	—	3.6	—
198	138	King & Shaxson 20p	170xd	+2	8.75	—	7.2	—

BUILDING, TIMBER, ROADS—Cont

1986 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
564	468	Costain Group	526xd	+4	17.0	2.7	4.6	9.5
423	296	Countryside Props	420		5.74	5.1	1.9	10.6
156	124	Crouch (D.) 20p	130		5.83	2.3	6.4	9.5
104	84	Dew (George) 25p	98	+4	6.0	1.2	8.6	11.9
95	75	Douglas (Robt. M.)	92	+2	1.75	2.6	2.7	16.3
23	19	Durton Group 5p	20		0.24	4.3	1.7	15.4
200	155	EBC 50p	165	−10	7.25	2.5	6.1	9.2
96	61	Erith	93		3.3	◆	5.0	◆
154	106	Fairbriar 10p	152	−2	4.0	2.7	3.7	14.0
88	77	Feb Intl 10p	80		1.78	—	3.2	—
71	54	Do. 'A' 10p	58		1.78	—	4.4	—
120	51	Federated Housing 5p	137	−3	3.3	3.3	4.0	11.8
66	56	Finlan Group 10p	56		3.04	0.9	9.6	21.8
93	79	Galliford 5p	90	−1	4.4	1.5	6.9	14.0
45	27	Gibbs Dandy A 10p	45		1.8	2.0	5.6	12.3
376	254	Gleeson (M.J.) 10p	368xd	−5	15.37	5.4	2.1	12.7
113	94	HAT Group 10p	104	+1	3.7	2.3	5.0	10.4
196	56	Helical Bar	195	+4	—	—	—	82.4
258	195	Henderson Group	222	−1	7.0	◆	4.5	◆
79	44	Hewden-Stuart 10p	72xd		1.7	◆	3.3	◆
£210	£130	Do 10pcLn 03-08	£196	−2	Q10%	—	5.2	—
216	134	Heywood Williams	214		6.75	2.0	4.4	13.8
622	430	Higgs & Hill	580		13.6	◆	3.3	◆
39	29	Howard Shut 10p	34		1.4	1.6	5.8	12.9
198	132	Ibstock Johnsen	178	+2	4.8	2.5	3.8	13.0
115	40	Intnl Amce Con	55		—	—	—	—
355	270	Jarvis (J.)	330		17.5	—	‡	—
46	22	Javelin	40		0.25	3.9	0.9	30.9
115	92	Jennings A$ 50	105		020c	2.1	4.6	10.4
88	75	Johnson-Jones Ps. 10p	75		4.27	2.1	8.0	8.5
£151	£68	Lafarge Cop. F100	£145	+1	022.25%	1.5	1.5	45.4
450	296	Laing (John)	441		7.0	5.1	2.2	12.4
300	265	Latham (J.) £1	290		13.25	1.8	6.4	10.2
104	74	Lawrence (W.)	94	−4	3.65	3.0	5.6	7.3
128	124	Do 8 Sec CnvRdPf £1	127		8%	—	6.3	—
91	71	Lilley (F.J.C.)	74xd	+2	3.82	1.9	7.3	9.6
140	93	Lon. & Clydeside	136		5.6	2.0	5.8	12.1
428	290	Lovell (Y. J.)	414	+2	7.0	3.8	2.4	14.6
434	304	McAlpine (Alfred)	414	−2	12.5	2.8	4.3	11.8
330	230	McCarthy & Stone 20p	265	+5	2.72	5.0	1.5	19.4
140	110	McLaughlin & H	140		7.0	◆	7.0	◆
196	128	Magnet & Southerns	166		4.7	1.7	4.0	20.9
257	177	Mandeys (Hldg)	257	+4	8.1	2.1	4.1	15.1
198	160	Marshalls Halifax	170	−5	5.0	2.3	4.1	13.2
180	144	Maunders (John) 20p	175		14.5	3.8	5.6	10.3
137	97	May & Hassell	119	−7	3.75	—	4.4	—
258	171	Meyer Int.	246	+6	5.25	3.5	3.0	13.2
27	23	Miller (Stan) 10p	24		10	—	2.9	—
129	109	Mitch (A)	122		6.5	1.3	8.2	13.0
440	308	Mowlem (J)	362	−10	M16.0	2.2	6.2	13.8
920	790	Newarthill £1	880xd	+20	11.0	◆	1.8	◆
213	160	Nottingham Brick	210		6.5	2.1	4.4	15.7
234	118	Persimmon 10p	216		5.25	3.4	3.5	11.9
112	68	Phoenix Timber	92		3.0	—	4.6	—
410	285	Pochins	370		12.9	3.9	5.0	6.5
142	90	Polypipe 10p	115		1.45	2.8	1.8	28.5
672	442	RMC	636	+2	14.0	3.1	5.1	14.7
58	21	Raine Inds. 10p	52	+1	0.75	0.5	2.0	—
106	88	Rattes	88	−2	5.25	1.2	8.4	13.8
481	342	Redland	423	+6	10.5	2.2	3.5	14.9
£410	£242	Redland (£ Wrnts)	£338	+4	—	—	—	—
258	148	Roberts Adlard	245		7.0	1.8	4.0	19.9
46	32	Rowlinson 10p	40		0.65	6.4	2.3	7.3
319	188	Ruberoid	295		8.6	3.2	4.1	10.5
191	134	Rugby P. Cement	169		6.4	1.1	5.3	18.3
374	228	SGB Group	342	−6	7.5	2.4	3.1	18.6
106	88	Sharpe & Fisher	106		2.33	2.8	3.1	16.6
23	15	Sheffield Brick	20		—	—	—	—
575	465	Smart (Wm)	570xd		12.0	◆	5.0	◆
83	70	Smart (J.) 10p	74		4.35	1.3	7.8	14.4
514	344	Tarmac 50p	464xd	+2	9.4	2.8	2.9	17.2
84	52	Tay Homes	84	+1	2.5	1.5	7.5	12.7
630	473	Taylor Woodrow	610		17.25	2.1	4.0	14.5
160	137	Tilbury Group	141xd	−5	5.3	◆	5.3	◆
412	326	Travis & Arnold	398	−2	8.50	◆	3.0	◆
102	72	Trent Holdings 10p	83	+1	1.05	6.0	1.8	9.9
175	136	Turriff Corp	145		7.0	—	6.8	—
41	26	Tysons (Contr.) 10p	32		—	—	—	—
65	42	Utd Ceramic Dvs. 20p	65		3.75	1.7	8.1	10.3
300	195	Vibroplant	294		9.0	3.1	4.3	10.5
290	246	Ward Hldgs. 10p	253	−5	7.25	2.6	4.0	13.5
74	58	Warrington (Thos.)	72xd	−2	1.0	—	2.0	—
204	172	Watts Blake	188		4.6	5.1	3.4	12.8
84	67	Western Bros	78		10	3.7	1.8	15.6
66	41	Whatlgr. Group 10p	66	+2	—	—	—	—
515	314	Wilson (Connolly)	470	+2	4.0	6.8	1.2	17.3
190	120	Wimpey (Geo)	181xd	+2	3.75	◆	2.9	◆

CHEMICALS, PLASTICS

1986 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
£48	£36	Akzo Fl.20	£42	+	011%	◆	3.8	◆
297	195	Alida Hldgs	270xd		5.2	2.8	3.4	17.4
194	160	Allied Colloids 10p	181	+6	2.3	3.8	1.8	19.3
390	290	Amersham Intl	370		6.0	2.9	2.3	17.0
245	177	Anchor Chemical	225		4.25	5.0	2.7	8.0
£100	£76	BASF AG DM 50	£81	+	020%	◆	5.8	◆
159	105	BTP 10p	150	+3	M4.0	1.9	3.8	21.4
£105	£77	Bayer AG DM 50	£86	+	020%	◆	3.5	◆
129	100	Blagden Inds.	118		2.2	1.0	8.6	16.8
168	132	Brent Chems 10p	153		4.2	1.8	3.9	17.7
92	58	Brit. Benzol 10p	90	+2	—	—	—	—
135	103	Canning (W.)	125xd		3.55	1.6	4.0	20.0
284	246	Coalite Group	247	−1	6.45	3.5	3.7	11.0
159	138	Coates Bros	140xd		4.6	◆	4.6	◆
142	111	Do 'A' NV	133xd	+1	4.6	◆	4.9	◆
19	15	Cory (Horace) 5p	17		0.6	—	5.0	—
163	127	Croda Int 10p	152xd		7.0	1.4	6.5	14.9
163	100	Do Defd. 10p	125	−1	—	—	—	—
55	40	Delmar Group	49	−1	1.85	1.8	5.3	14.4
220	128	Dualene	195		4.9	2.5	3.5	12.8
225	172	Ellis & Everard	202		5.41	2.0	4.1	16.8
£18	£15	Engelhard U.S.$1.00	£15	+	72c	—	3.1	—
298	213	Foseco Minsep	285xd	+1	9.0	2.1	4.4	12.2
158	112	Halstead (J.) 10p	138		4.0	3.2	4.1	10.7
£32	£26	Hercules Incl	£30	+	Q51.60	—	3.6	—
452	333	Hickson Intl 50p	440		15.0	2.6	4.8	11.3
£104	764	Hoechst DM 5	800	−4	018%	2.0	3.4	16.1
£208	£200	Do.Fin 10pcUs Ln	£205xd		010%	—	4.9	—
99	87	Holt Lloyd Intl 10p	84xd		4.0	◆	6.7	◆
£10	727	Imp. Chem. £1	891	+7	33.0	2.2	5.2	10.4
55	41	Do. 5pcPf. £1	52		3.5	—	9.4	—
408	335	Laporte Inds. 50p	337		8.25	2.3	3.4	13.8
118	102	Leigh Interests 5p	110		3.0	1.8	3.8	20.5
365	300	Morcoan Hldgs	350		3.7	4.7	1.5	15.4
46	25	Morley (R. H.) 10p	45	+1	1.5	1.3	4.7	24.0
£23	£18	Norsk Inds 'B' Kr. 20	£20	−	020%	5.3	1.6	11.6
£19	£11	Perstorp AB 'B' Sk10	£16	−	014%	◆	0.8	◆
225	179	Plysu	220		2.17	3.0	1.4	20.0
320	285	Ransom (Wm.) 10p	315		8.65	2.3	3.9	14.7
85	62	Reabrook Hldgs	72		2.5	3.1	4.9	9.4
174	134	Rentokil 10p	148		2.4	3.0	2.5	17.5
£164	£160	Schering AG DM50	£160	−1	024%	2.7	2.2	16.4
287	237	Scot. Agric. Inds £1	287	+2	18.5	—	9.5	—
330	225	Snia BPD L1000	318		08%	—	1.8	—
58	47	Spectra Auto 10p	58	+1	2.28	2.3	5.5	9.4
65	36	Sutcliffe Speakman	61	−4	—	—	—	—
47	25	Thurgar Bardex 10p	43		0.6	4.7	2.0	15.4
336	209	Wardle Storeys 10p	333xd	+15	5.0	3.3	2.1	19.5
212	182	Wolstenholme Rink	182	−1	7.75	1.2	6.0	19.6
126	66	Yorkshire Chems	117		3.0	3.6	3.6	8.4

DRAPERY & STORES—Cont.

1986 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
525	412	Superdrug Strs 10p	500		5.0	◆	1.4	◆
198	150	❖T & S Stores 5p	195	−3	3.0	◆	2.2	◆
78	39	Tern Group	63	+3	2.0	0.2	4.5	—
76	57	Time Prods. 10p	76		1.5	2.7	2.8	15.8
77	57	Top Value Inds 10p	70		—	—	—	◆
194	176	Underwoods 10p	184	+3	1.65	◆	1.3	◆
40	31	Upton (E) 'A'	36		—	—	—	◆
370	173	WW Group	340		7.94	◆	3.3	◆
326	226	Ward White	298		6.5	◆	3.1	◆
£14	490	Warehouse	£13		3.75	—	0.4	—
60	51	Wassall (J. W.)	58		1.0	5.8	2.4	7.4
175	140	Weches 40p	154		2.0	4.2	1.8	17.2
117	97	Wigfalls	110		2.5	0.6	3.3	47.4
920	438	Woolworth Hldgs 50p	820xd	+10	10.5	3.1	1.7	21.8
£194	£115	Do. 8½pc Ln 2000	£177	+1	8½%	—	4.8	—
220	165	World of Leather 10p	185		2.5	3.7	1.9	19.9

ELECTRICALS

1986 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
355	186	AB Electronic	332	−1	8.0	3.3	3.4	11.5
53	28	A. & G. Sec Elecs 5p	50		1.2	3.8	3.4	11.0
125	65	AMS Inds 5p	65		1.25	5.1	2.2	10.3
106	34	Acorn Computer 10p	58		—	—	—	—
275	200	Air Call	245	−5	5.6	1.8	3.2	24.1
143	120	Alphameric 5p	135		0.7	7.5	0.7	25.8
30	13	Amer Elect Comp 5p	22		0.87	2.0	5.7	8.7
567	182	Amstrad 5p	542	−23	0.94	20.9	0.2	22.3
280	200	Appl'd H'graphics 5p	250	−5	—	—	—	—
245	185	Do Warrants	215		—	—	—	—
100	61	Aoricon Comp 10p	87	−3	1.5	7.8	2.4	8.3
35	24	Arcolectric 'A' NV 5p	38		0.72	4.2	3.4	8.8
90	60	Arlen 20p	70	+5	—	—	—	—
£32	£19	ASEA AB. 'A'	£32	+	012%	◆	1.7	◆
£32	£20	Do 'B'	£32	+	012%	◆	1.7	◆
295	205	Atlantic Computer 10p	275	+8	2.3	9.5	1.2	9.2
16	4	Audiotronic 2½p	12	−	—	—	—	—
220	138	Auto'ted Sec. 10p	205		1.5	7.6	0.9	14.9
370	241	BICC 50p	323	+2	11.0	1.5	4.9	18.6
138	63	BSR Intl 10p	121	+3	0.4	—	2.0	—
21	11	Bessert & F'lain 10p	21		0.42	2.0	2.0	25.4
£16	£13	Black & Decker $0.50	£13	−	64c	—	3.2	—
535	375	Bowthorpe 10p	528xd		7.0	3.6	1.9	18.2
210	140	Britax 5p	150		4.0	3.5	3.8	10.5
126	75	Britannia Sec. 10p	106		1.25	3.8	1.7	17.3
278	220	British Telecom	228		6.5	2.3	4.0	13.8
111	75	Brown Bov. Kent	95xd	−1	3.0	2.8	4.4	8.91
19	11	Bulgin 'A' 5p	15		0.58	1.3	‡	20.0
237	138	Burgess Products	206xd		2.5	4.4	1.7	19.6
243	183	CAP 10p	205	−3	1.5	4.9	1.0	27.0
150	85	CASE Group 20p	97	+2	1.35	7.8	2.0	8.1
160	125	CML Microsystems 10p	136		1.4	5.6	1.5	14.3
34	9	CPS Computer 20p	9		1.0	◆	9.9	◆
41	29	CPU Computers 5p	34		—	—	—	—
738	568	Cable & Wireless 50p	628	−7	9.5	2.9	2.1	17.8
318	237	Cambridge Elec.	275	−3	7.49	2.2	3.8	16.9
105	83	Checkpoint Europe	95		—	—	—	◆
57	37	Chloride Grp.	46		—	—	—	—
225	213	Do. 7pc Cm CnvPf.	197	+2	8	—	—	—
3	2	Chubb's (Hldgs)	2		—	—	—	—
13	8	Cifer 10p	11		—	—	—	—
115	75	Circaprint 10p	115		1.05	7.5	1.5	12.4
350	203	Comcap 5p	333		0.5	◆	0.6	◆
49	38	Comesoft Hldgs. 5p	47		1.5	3.0	4.5	10.0
345	210	Cont'l Microwave	300		4.0	4.2	1.9	17.8
210	123	Control Tech 10p	206		1.27	2.8	1.8	24.7
76	67	Cranbrook Elect 5p	70		1.5	7.2	3.0	19.5
316	259	CrayElectronic 10p	312		2.97	3.6	1.5	28.5
225	140	Crystalate 5p	218	+5	4.24	3.4	2.0	12.3
72	50	DBE Technology 10p	52		—	—	—	30.1
152	115	DDT Group 5p	140	+3	1.0	7.8	1.0	16.9
138	77	DJ Sec Alarms 10p	135	−5	1.5	7.8	1.6	11.5
79	64	Dale Elect. 10p	73	−1	4.5	0.7	8.7	25.0
198	156	Datasery Inc 5c	183		2.25c	◆	84.5	◆
90	71	Datron Intl 5p	80		1.0	4.9	1.8	11.6
115	80	Denmans Elect	115		3.7	3.6	4.5	8.7
51	30	Dewhurst 'A' 10p	49		1.05	3.3	3.0	11.2
365	262	Domino Print Sci. 5p	360	+10	1.0	13.6	0.4	26.4
50	40	Dowding & M. 10p	40		1.4	2.2	4.9	12.7
460	345	Dreck Hldgs 5p	445		3.6	4.0	1.1	30.7
212	162	Dubilier 5p	274	−4	2.8	4.3	2.3	12.0
146	101	Eaton Electro 5p	146	+1	2.2	4.6	2.1	11.4
445	385	Electrocomps 10p	395		5.25	3.5	1.9	21.3
147	93	Electron House 10p	135		3.2	2.0	3.3	19.5
100	62	Elec. Data Proc. 5p	75	−2	1.4	4.2	3.2	10.6
84	46	Electronic Machine	75	−5	0.7	2.1	1.3	42.8
62	42	Electronic Rentals	60	+4	3.25	1.0	7.6	18.9
337	235	Emess Lighting	335	−2	5.5	2.6	2.3	23.4
£28	£20	Ericsson (L.M.) SK50	£24	−	018%	◆	3.4	◆
375	300	Eurotherm Int. 10p	315		4.75	3.4	2.1	17.2
78	47	FKI Elec 10p	78	+	0.5	5.2	0.9	26.0
250	185	Farnell Elec. 5p	290xd		2.2	4.4	1.6	18.8
80	52	Feedback 10p	80	+3	2.75	1.2	4.8	23.9
154	122	Ferranti 10p	124		1.56	4.2	1.8	17.4
203	154	First Castle 10p	192		2.12	3.4	1.6	20.2
160	120	First Security 10p	155	−5	3.5	2.6	3.2	15.3
55	25	Forward Tech.	49		0.5	3.8	1.4	22.8
434	339	Fujitsu Y50	371	−4	013%	7.2	0.7	20.7
214	160	GEC 5p	188	+2	4.0	3.4	3.0	12.9
185	120	Godwin Warren	120	−5	2.2	◆	2.6	◆
500	410	Goring Kerr 10p	440		10.5	2.1	3.4	16.9
160	90	Grosvenor Grp.	150	−10	5.75	1.7	‡	12.9
68	25	HB Elec. Comms. 10p	47		0.5	◆	1.3	◆
112	81	Highland El. 20p	100xd		2.5	3.0	3.5	12.2
13	10	Himberude El. 7p	10		0.21	5.9	2.9	28.3
165	113	IBL 10p	113	−2	2.2	5.3	1.5	12.8
30	14	Imtec Group 10p	23		0.4	—	‡	—
225	170	INSTEM 10p	200xd		2.25	◆	1.6	◆
372	278	Int. Sig. & Cont. 10c	293	+1	2.5c	7.0	0.6	23.1
235	177	Jones Stroud	218		7.0	3.1	4.5	9.0
82	55	Kewill Systems	70		1.2	4.3	2.4	13.4
112	65	Klark-Teknik 5p	87	+2	0.6	9.1	1.0	15.8
173	90	Kode Int.	173		5.0	0.5	4.1	28.3
112	67	LPA Industries 10p	105		3.0	3.9	4.0	10.4
45	30	Laser Lab $A0.50	38		5%	3.6	4.0	6.9
322	233	Lec Refrigeration	280		12.5	2.0	6.3	11.0
137	110	Levetec Inc $0.01	118		3.4c	3.9	2.1	12.3
190	122	Logica 10p	172		0.35	—	‡	—
185	133	Luring Elects	150xd		2.5	◆	2.3	◆
423	270	MK Electric	375	+2	10.2	2.8	3.8	13.1
245	160	MMT Computing 5p	240		4.0	3.0	2.4	19.8
150	127	Macro 4 5p	127		0.0	6.5	1.1	19.5
123	57	Magnetic Mat'ls 10p	70		2.8	3.1	5.6	6.4
96	75	Mellerware Int 10p	82		3.0	1.4	5.3	18.3
66	37	Memcom Intl. 10p	37	−1	3.5	3.4	14.7	2.2
425	340	Memec 10p	348	−10	3.0	4.5	1.2	26.5
18	10	Micon Computer 10p	16		—	—	—	—
150	134	Meterer-Swint 5p	146	+1	2.5	3.5	2.4	16.5
65	55	Micro Bus Sys 5p	65		0.5	—	1.1	—
710	360	Microfilm Repro	705		1.5	4.8	0.3	74.6
245	160	Micro Focus 10p	230	+10	—	—	—	63.0
152	108	Micro Scope 10p	127		1.53	4.6	1.7	16.1
395	310	Microgen Hldgs. 5p	355		4.5	3.5	1.8	22.2
230	120	Microlease 10p	140		4.0	◆	4.0	◆
140	125	Microsystems 10p	138		1.78	4.5	1.8	17.4
48	22	Microvitec 5p	44	+1	1.25	2.1	4.0	16.7
393	265	Miles 33 10p	393	+18	2.75	5.8	1.0	20.3
457	299	Mitel Corp.Il	299		—	—	—	—
45	14	Mnemos 10c	20		—	—	—	—
95	65	Molynx 20p	84xd		1.5	◆	2.8	◆
£32	£25	Motorola $3	£30	+	0.64	—	1.4	—
57	35	Multitone Elect.	50		2.78	0.8	‡	27.7
65	54	Murray Electronics	54	−2	0.1	4.5	0.3	—
96	84	Murray Tech. Invs.	84	−3	0.5	0.7	1.0	—
628	421	NEC Corpn Y50	584	−11	013%	3.9	0.4	58.9
107	82	NEI	102	+2	5.25	1.7	7.2	11.2
290	240	Newmark (Louis)	280		13.0	2.0	6.5	11.7

ENGINEERING—Continued

1986 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
7	4½	Bristol Ch. Strs10p	4½		—	—	—	9.8
104	34	Bromsgrove Inds 5p	108	−2	1.0	3.1	1.4	(25.1)
26	15	Brown Eng. 10p	23		0.5	1.6	3.1	(28.1)
50	25	Brooke Tool 5p	43		1.25	3.9	4.2	8.5
30	19	Brown (John)	30	+1	—	—	—	—
305	195	Bullough 20p	290		8.2	2.6	4.0	13.8
87	56½	Camford Eng.	79		1.72	3.2	3.1	14.1
405	253	Cardo Eng.	355	−5	12.5	2.6	5.0	9.7
72	56	Castings 10p	72		2.5	2.9	4.9	10.0
106	58	Chamberlin & Hill	100		3.5	3.0	4.9	9.6
640	587	Chemring Group 5p	560	+10	13.5	3.5	3.4	11.9
130	113	Do Cnv.Rd.Pf 5p	122		6.0	—	7.0	—
54	36	Christy Hunt	54	+1	—	—	—	12.4
140	98	Clayton Son 50p	127xd		7.0	2.2	7.8	8.4
519	380	Cohen (A) 20p	500		10.8	3.7	3.0	(9.5)
107	70	Concentric 10p	104		3.7	2.0	5.1	14.0
112	72	Cook (Wm) (Sh.) 20p	108		2.75	2.0	3.6	18.0
124	22	Cooper (Fr) 10p	108		0.1	0.9	‡	111.9
34½	23	Cooper Inds. 10p	34½xd		0.9	◆	3.7	◆
83	42	Cronite Group	68	−1	—	—	—	6.4
210	155	Crown House	188		1.75	1.7	3.8	13.8
£195	£177	Comcast 7½pc '94	£177		7½%	—	2.1	—
70	50	Dvs. & Met. 'A' 10p	65	−3	2.21	0.2	4.8	—
115	92	Davy Corp.	100	+3	3.69	2.2	5.2	(9.8)
259	173	Delta Group	251	+3	6.5	3.0	4.0	11.4
240	190	Deritend 50p	230	+2	6.5	2.8	3.9	13.2
315	167	Desoutter Bros.	295	−15	7.3	3.5	3.1	9.1
62	27	Dowdeswell 10p	47xd		1.5	◆	1.5	◆
220	157	Edbro (Hldgs)	220		6.9	2.8	4.2	9.4
81	52	Elliott (B.)	76		2.0	—	3.7	—
90	40	Farmer (S.W.)	85		—	—	—	—
78	57	Fife Indmar	65		3.5	◆	7.6	◆
78	57	Firth (G. M.) 10p	66½	+2½	0.4	3.9	0.8	42.3
40	28	Folkes Hefo 5p	32		1.4	2.5	6.2	7.4
119	54	GEI Intnl. 20p	115		5.85	1.3	7.2	14.5
110	60	Garton Eng. 10p	105xd		3.9	3.0	4.6	8.1
418	243	Glynwed Int.	376xd	+2	10.5	2.4	3.9	15.0
52	36	Greenbank Grp 10p	49	+1	2.4	1.7	6.9	12.1
385	259	GKN £1	329	+5	12.0	2.1	3.1	(10.5)
95	60	Haden Precision 5p	77		1.75	2.2	3.2	16.2
216	132	Hall Eng. 50p	208		8.37	2.0	5.7	10.6
163	126	Hall (Matthew)	138xd		4.5	3.1	9.6	9.9
240	182	Hallite 50p	238		9.0	1.1	5.3	23.7
37½	25½	Hampson Inds. 5p	34		1.05	2.9	4.3	11.0
620	433	Hawker Siddeley	565xd	+2	14.5	2.9	3.6	11.8
120	65½	Hill & Smith	102	+2	3.85	2.5	5.3	10.0
16½	12	Holrson 5p	13½		—	—	—	—
282	146	Hopkinsons 50p	245	−5	7.5	2.6	4.4	10.7
120	91	Howden Group	109		3.36	2.4	4.3	10.9
188	119	IMI	182	−1	5.25	2.4	4.1	12.2
44½	22½	Johnson & Firth 10p	37	+½	8	—	—	—
126	66	Jones & Shipman	126		3.85	3.1	4.7	7.7
323	216	Laird Group	251	−1	5.5	3.6	3.1	10.3
72	41	Lee (Arthur) 12½p	63	−½	2.1	3.0	4.2	0.4
86	64	Lamread	72		2.5	3.8	4.9	5.8
67	53½	Lloyd (F.H.)	63		2.5	1.3	5.6	18.8
40	26	Locker (T) 5p	36		1.30	2.2	5.1	11.5
33	23½	Do. 'A' 5p	30½		1.30	2.2	6.0	9.8
390	308	ML Holdings	385		7.7	3.6	2.8	15.2
105	65	MS Interal 10p	99		0.3	50.1	0.1	13.9
78	52	Manganese Bronze	75	+1	3.0	2.0	5.6	8.6
655	355	Martonair 20p	630	+5	12.0	2.3	2.5	22.5
290	185	McKechnie Bros.	244		9.0	1.7	5.2	17.2
132	95	Meggitt 5p	119		0.75	6.2	0.9	24.7
100	62	Metalrax 5p	90		2.45	2.7	3.8	13.8
119	69	Mitchell Som 10p	114	+1	3.25	1.7	4.0	21.2
195	162	Molins	179	−6	7.9	2.0	6.2	(9.4)
40	20	Neepsend	36		0.1	1.6	0.4	19.8
216	161	Neill (James)	176	−2	7.0	◆	5.6	◆
141	92	Newman-Tonks	132		5.5	1.7	5.9	12.6
130	65	Noble & Lund 10p	120	−4	0.7	4.3	0.8	39.5
622	333	Pegler-Hattersley	610	+3	20.0	◆	4.7	◆
305	222	Porter Chad. 20p	275		0.85	0.2	0.4	—
19	12	Priest (Ben) 5p	16½		—	—	—	15.1
320	215	Do 8pcCnvRedPrf	290		7.9%	—	2.7	—
190	120	RHP	178	−4	4.25	3.0	3.4	13.1
200	115	Ransomes Sims	188	+4	5.0	2.5	3.7	14.6
135	98	Ratcliffs (G.B.)	125		2.5	—	2.8	—
91	58½	Renold	74		2.0	3.1	3.8	(14.1)
82	53	Richards (Leics.)	75xd	−3	3.0	◆	5.6	◆
57	19	Richardson West. 10p	39	−2	—	—	—	—
355	256	Robinson (Thos.)	347	−3	—	—	—	58.0
199	115	Rotork 10p	159	+4	5.4	◆	4.8	◆
£32	£25	SKF AB SK50	£31	−	020%	3.3	2.9	10.7
160	143	SPP 10p	143		4.75	◆	4.7	◆
89	49	Saville Gordon 10p	84		2.33	2.8	3.9	12.6
52	39	Senior Eng'g 10p	48		1.7	1.8	5.0	15.3
302	180	Simon Eng'g	240xd		8.5	◆	4.9	◆
149	83	600 Group	133	−1	5.5	1.4	5.8	(15.4)
42	29	Smith Whit. 5p	41	−3	0.25	2.6	0.9	64.2
285	262	Spear & Jackson	288		16.0	2.5	3.0	(14.0)
172	132	Spencer Clark 20p	166		3.0	◆	2.6	◆
192	132	Spirax-Sarco	188		5.3	2.2	4.0	13.7
507	347	Staveley Inds. £1	507		15.5	2.5	4.3	12.3
210	153	Stothert & Pitt £1	192		—	—	—	—
535	372	TACE 10p	518		6.65	2.8	1.8	23.8
584	353	TI Group £1	544	+2	13.0	2.0	3.4	17.6
95	66	Telfos 20p	90		2.78	2.1	4.4	12.5
165	123	Tex Hldgs 20p	133	−4	4.25	2.6	4.5	14.4
£11½	940	Thyssen Dm10	950	−5	014.0%	2.5	4.8	2.4
124	70	Triplex	120		2.0	2.2	2.3	14.7
75	52	Tyzack Turner	73		3.2	2.3	6.2	(8.2)
46	31	Tyzack (W. A.) 10p	44		1.7	1.9	5.4	13.3
51	29	Utd. Spring 10p	47xd		1.5	1.8	4.5	17.7
540	296	Vickers £1	463		13.0	2.2	4.0	(13.9)
130	122	Victor Products	112		4.6	0.4	5.8	—
45	24	W. A. Hldgs. 10p	25xd		0.1	◆	0.6	◆
356	129	Wadkin 50p	333		1.0	—	0.4	—
232	157	Wagon Industr'l	189		7.25	1.9	5.4	34.1
58½	32	Walker (C.& W.) 15p	55	−2	0.75	5.9	1.9	9.2
154	60	Weir Group	121	−2	2.88	◆	3.4	◆
147	68	Do. 10pc Cnv Pf	119		2.5	7.8	3.0	—
31½	14½	Wellman	29½	−½	8	—	—	—
117	52	Westland	75	+2	3.0	—	5.6	—
207	84	Whessoe	96xd		5.5	2.1	9.0	7.3
26	16½	Whewav 20p	24		—	—	—	—
43	27	Wood (S.W.) 20p	30		2.0	—	4.9	4.5
93	43½	W'h'selton 12½p	80		2.5	2.5	4.4	12.6
89	75	Wyndham Grp. 15p	75	−1	1.82	3.1	3.5	14.8
830	500	Yarrow 50p	830	+10	14.0	2.2	2.4	31.4

FOOD, GROCERIES, ETC

1986 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
163	130	ASDA-MFI Group	142		2.75	2.9	2.7	17.6
37	20½	Alpine Soft D 10p	30	−2	1.8	—	8.5	—
150	132	Appletree 10p	145		2.5	4.1	2.4	13.7
378	330	Argyll Group	350	+2	7.75	2.6	3.1	17.8
364	238	Ass. Brit. F'ds. 5p	332		6.1	◆	2.6	◆
126	97	Ass. Fisheries	97		3.25	2.0	4.7	14.9
604	524	Avana Group 5p	545	+3	11.25	2.8	2.9	16.7
£412	£240	BSN Fr 100	£300	+18	055%	3.6	1.2	—
350	238	Banks (Sidney C.)	285		10.0	3.4	4.9	8.8
15½	11½	Barker & Dobson 1p	15		—	—	—	—
335	219	Barr (A.G.)	298	−2	8.45	3.8	4.0	8.5
191	145	Bassett Foods	170		6.72	1.6	5.6	(13.6)
105	97	Batleys 10p	103		2.1	3.7	2.9	13.2
180	146	Bejam 10p	160		3.75	2.2	3.3	19.1
45	29	Berisfords Cross 10p	43		—	—	—	—
258	133	Berisford (S. & W.)	209	−9	10.5	1.3	7.1	11.3
28	16	Bio-Isolates 10p	17		—	—	—	—
27	19	Brewmaker 1p	23		0.8	2.3	4.9	12.2
122	54	Brit. Vending 10p	112	+2	1.6	3.9	1.8	20.7
192	144	Cadbury Schweppes	161		5.9	1.4	5.2	17.6
93	50	Cameronar	90		3.64	0.6	5.7	53.6
162	145	Carr's Milling	145		6.0	2.4	5.8	(8.0)
39	25	Chambers & Fargus	34		—	—	—	—
175	120	Cheshire Wfoods 5p	160		3.65	2.0	3.2	21.4
270	160	Clifford's Dairies	240		7.2	2.3	4.2	13.2
253	149	Do. "A" N-V	208	−8	7.2	2.5	4.9	11.5
110	96	Cranswick Mill 10p	103		5.32	2.2	7.3	8.9
280	233	Cullen's Hldgs 10p	260	−5	—	—	—	—
£38	£27	Dart & Kraft $1.00	£36xd	−	51.56	—	3.0	—

INDUSTRIALS—Continued

1986 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
168	118	Amari	146	−5	3.2	◆	3.8	◆
195	138	Amber Ind. 10p	195		4.6	3.1	4.3	10.4
£30	£15	Ambi Cmum F1025	£26			3.7	1.7	13.6
45	42	Ang. African Fin 7½p	45		1.6	3.2	9.0	4.2
27	20	Anglo Nordic	22		0.0	2.0	3.3	14.7
405	230	Appleyard A & P 10p	368	−10	10.0	—	1.3	6.7
46	32	Armson 30p	38		0.2	7.0	1.0	34.5
32	23	Armour Trust 10p	28	+1	—	—	—	—
73	51	Ashley Ind. Tst.	61		—	—	—	—
11	5	Assoc. Br. Eng. 1p	11		—	—	—	—
420	260	Do. 8pcCnvCvRedPf	420	+20	8%	—	2.7	—
625	373	Assoc Brit Ports	558		10.0	3.5	2.5	14.5
36	18	Assoc. Energy 5p	34		—	—	—	—
580	333	Assoc Heat Services	486		12.2	2.3	3.2	19.5

For Assoc Steel Distributors see ASD

1986 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
200	143	Austy & Madeley 20p	195		5.75	◆	4.9	◆
£55	£45	Atlas AB Sk25	£52	−	016%	◆	0.7	◆
312	262	Avon Rubber £1	300		5.7	3.7	2.7	10.9
288	139	BBA Group	245	−7	2.6	3.0	1.2	32.7
448	345	BET Defd	398		14.8	1.5	5.4	16.7
84	46	BETEC	82xd	−7	2.8	◆	3.1	◆
382	279	BOC Group	324		9.35	2.4	4.3	10.8
£281	£196	Do 9pcCnLn2003-06	£220	+3	9%	—	4.2	—
330	241	BTR	306	+1	8.0	2.3	2.7	20.7
630	420	Baird (Wm.) £1	555		19.4	2.3	5.0	12.8
10	5	Bardsey 10p	9		—	—	—	—
9½	5	Do. Pfd. Ord.	9		—	—	—	—
58	40	Barrow Hepburn	48	−2	2.5	1.4	7.3	12.9
£13	£10	Baxter Trav. US$1	£12		0%	—	2.2	—
32	21	Baynes (Charles) 10p	31	+3	1.5	—	7.0	—
240	137	Beatson Clark	238		7.5	1.8	4.5	16.4
258	153	Beazer (C.H.) 10p	196	−2	4.67	3.3	3.3	13.9
426	320	Beecham	365	+2	11.2	1.7	4.6	15.8
£13	£13	Bellow Cos. 10p	£13		—	—	—	—
32	19	Benlox 10p	30	−1	1.1	0.9	5.2	27.3
143	85	Bertsfords	108	+12	5.20	1.3	6.9	10.6
134	100	Bespak 10p	134		4.25	1.1	4.5	22.0
395	215	Bestobell	395	+10	8.0	2.9	2.1	22.5
600	315	Bestwood 15p	590	+5	6.8	2.2	1.4	45.2
335	280	Bibby (J.) 50p	335	+5	10.6	2.3	3.8	17.1
200	140	Biddle Hldgs	147	−6	10.0	1.3	9.8	13.6
120	75	Billam (J.) 10p	108		3.55	◆	3.7	◆
175	145	Black Arrow 50p	165	+3	4.2	2.8	3.6	13.9
250	180	Black (P) Hldgs	245	−5	1.8	6.5	0.9	22.4
382	188	Blue Arrow	382	+4	1.2	12.3	0.4	25.7
218	165	Bluebird Toys 10p	187		3.5	◆	2.6	◆
264	167	Bodycote Int'l	258	−7	6.0	◆	3.3	◆
49	23	Bogod Pet. 'A' 10p	39		10.0	3.7	2.2	17.7
358	265	Booker McConnell	315xd	+2	12.0	1.7	5.4	13.7
275	190	Boot (Henry) 50p	270xd	+3	8.0	—	—	—
286	225	Boots	255	+7	6.2	2.3	3.4	16.5
£21	£15	Borg-W US$2.50	£17		0.96	—	3.9	—
353	265	Bowater Inds £1	310	−2	9.25	1.7	4.2	18.8
385	323	Brammer 20p	345xd	+10	12.5	1.8	4.8	16.2
42½	33½	Brengreen 10p	39½	+3½	1.4	2.1	5.0	13.8
44	35	Bridgend Group 10p	42	+2	0.35	◆	1.2	—
197	112	Bridon	175		3.0	3.6	4.8	17.7
192	159	Bridport-G 20p	175		5.0	2.4	4.9	14.5
606	421	Brit. Aerospace 50p	551	+21	15.8	2.8	4.0	12.5
290	212	Brit. Bloodstock	227		8.0	2.5	5.0	10.9
245	170	Brit. Steam 20p	207		6.25	3.0	3.7	12.3
141	97	Brit. Syphon 20p	116		4.0	3.3	4.9	(9.4)
320	195	British Vita	302	+2	7.8	3.1	3.3	12.8
390	290	B. H. Prop. $A1	382	−8	037.9	◆	4.7	◆
190	156	Brown & Tawse	156	−2	6.5	2.6	5.9	9.4
61	50	Brunton (Muss)	51xd		3.0	◆	8.3	◆
49	39	Bullers	40		1.9	3.9	5.3	13.8
57	24	Burndene 15p	55	−2	1.05	1.5	2.7	11.0
83	39	Burns Anders'n 10p	74		2.7	1.7	5.1	16.3
85	76	CCA Galleries 10p	80		2.35	3.2	4.1	10.6
83	43	CH Industls 10p	83	+3	2.11	2.3	3.6	16.8
188	138	CSR A$1	148	−5	08c	1.3	6.0	12.9
190	130	CVD Inc. $0.01	135		2.5c	2.8	1.3	28.0
137	85	Cannon St Invs 20p	131		1.5	◆	1.6	◆
56	27	Caparo Inds	56	+2	1.65	—	4.1	—
137	92	Do. 8½pc Cnv Pf £1	137	+6	8½%	—	9.8	—
143	92	Do. 8pc Cv Pf £1	143	+10	8%	—	(5.7)	—
86	56	Cape Industries	68	−2	5.6	2.4	‡	(3.7)
185	135	Do. 8.4pc Cnv Cv Pf	162		8.4%	—	7.3	—
30½	29	Caledon 20p	32		1.0	2.1	4.4	14.9
8	5½	Cent. Sheerfed 5p	6½		8	—	—	—
22	13	Centreway Ind 10p	19		—	—	—	—
86	65	Chamb'lan Ph. 10p	83	+1	3.85	1.0	6.5	21.8
280	190	Charter Cons 2p	232	+2	11.0	0.9	6.7	(23.5)
18	8	Chemical Methods	10		0.1c	◆	7.2	◆
151	130	China Light HK$5	134½		0.60c	2.9	4.0	8.7
363	280	Christies Int. 10p	330		5.5	2.6	2.5	22.3
235	130	Clarke (Clement)	235	+45	4.52	0.3	2.7	68.1
110	60	Coin Inds. 10p	98		3.3	1.3	4.8	19.6
106	87	Colorgen Inc $0.01	87		—	—	—	—
220	147	Coloroll 20p	202		5.0	2.5	3.5	17.8
20	10	Combined Tech 10p	12	+1	—	—	—	—
117	76	Consultants 5p	94		0.75	6.8	1.1	18.3
55	26	Cont. Stationery 10p	44		1.75	—	5.6	—
588	354	Cookson 50p	490xd		7.75	5.5	2.2	14.4
380	245	Cope Allman 5p	340	+5	17.0	3.2	2.9	13.7
100	63½	Cosalt	96	−4	2.75	2.2	4.1	14.7
425	325	Courtney Pope 20p	395		8.5	3.1	3.0	12.5
101	90	Cowan de Grt. 10p	66		2.0	1.3	4.3	25.1
380	243	Crane (J.)	345xd	−25	56.6%	◆	3.9	◆
172	120	Crest Nichol 10p	165		4.75	3.0	4.1	13.5
300	206	DPCE 5p	295		1.5	5.1	0.8	34.3
90	32	DSC 10p	35		0.5	—	2.0	—
303	208	Dalgety £1	265xd	+2	12.5	1.3	6.6	11.9
225	178	Danks & G'wnd	200xd	+7	10.0	0.7	7.8	29.8
£10	725	De La Rue	960	+5	30.0	2.1	4.4	12.4
54	34	Delaney Grp 10p	53		2.4	1.6	6.4	13.4
19	17	Diploe Heel 5p	17½		0.40	◆	3.2	◆
368	256	Diploma 5p	342xd	+7	3.25	3.0	2.8	16.4
97	83	Dobson Park 10p	94	+	5.21	1.5	7.8	12.2
188	97	Dom Hldgs. 10p	186		4.95	2.0	6.6	10.6
118	94	Dominion Int. 20p	99	−2	5.0	2.2	7.1	7.4
£32	£26	Dover Corp. US$1	£27	−	80c	—	2.2	—
137	58	Dowert 5p	135	−1	2.75	◆	3.0	◆
83	24	Dwek Group 10p	79		—	—	—	—
92	75	Dyson (J. & J.)	90		4.0	1.1	6.3	(9.5)
85	71	Do. "A"	76		4.0	1.1	7.4	(6.5)
282	209	[illegible]	240xd	−5	6.75	2.6	4.0	13.0
40	32	[illegible] 20c	37		86c	1.3	7.6	9.8
312	265	[illegible] Prod. 50p	265	−2	10.0	◆	5.3	◆
16	11	[illegible] Hldgs. 10p	15		0.25	◆	2.4	◆
15	10	Do. Defd 10p	14		—	—	—	—
80	55	[illegible] Inds. 50p	80		—	—	—	—
40	27	[illegible]	36½	−7	0.72	1.6	6.6	13.0
235	135	[illegible] SA1	208		0.20c	2.0	4.6	10.7
122	105	[illegible] 10p	105		3.7	2.4	5.0	11.8
£28	[illegible]	[illegible] SKr25	£27	−	030%	◆	2.5	◆
611	890	[illegible] AS NK50	975		015%	◆	7.1	◆
13	8	[illegible] Hopper 5p	12		—	—	—	—
£28	£21	[illegible] Corp. $1	£23		$1.40	—	4.8	—
381	261	Eng. China Clays	338	+4	11.0	2.2	4.6	13.2
27	17	Epicure Holdings	20		—	—	—	—
205	184	Equipu 10p	197		4.5	2.9	3.2	13.4
163	143	Erskine House	147		2.5	3.6	2.4	16.5
£52	£40	Esselte AB K50	£52		027%	◆	2.4	◆
176	132	Euro Ferries	151xd	+2	4.75	2.4	4.4	(10.7)
169	110	Do. 5% Red. Pref.	124xd	+1	5%	—	5.7	—
124	103	Do 6.75% Cnv Pref	107xd	+1	6¾%	—	8.9	—
338	160	Evered	292xd	−7	3.5	4.2	1.7	15.8
126	111	Evode Grp.	115	+1	3.22	2.2	3.9	13.1
220	127	Expamet Int'l	200		5.9	◆	4.2	◆
415	313	Extel	365		10.0	◆	3.9	◆
37	22	Falcon Inds	36	−1	0.5	0.9	2.0	(81.3)
43	28	Feedex Agric. 10p	43xd	+2	1.5	◆	4.9	◆
143	105	Fenner (J. H.)	120		5.0	1.3	5.9	(16.9)
38	20	Fergabrook 20p	24		3.2	3.2	18.0	2.1
271	33	Fertil-A-Chron	150		—	—	—	—
618	410	Fisons	578	+3	5.5	3.4	1.3	25.7
51	35	Fitzwilton	51		10.30%	1.9	4.6	14.4
150	96	Fletcher Chinge NZ$0.5	148		0.23c	1.7	6.0	9.8
122	84	Flexello C. & W.	112		3.8	3.7	4.8	8.0

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INDUSTRIALS—Continued

1986 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
145	82	‡Midland Marts	143	+3	4.0	2.1	3.9	17.1
78½	61	Mitchell Cotts	74	.....	4.25	1.5	8.1	(10.0)
109	81	Mollins & Crane 10p	103	.....	‡2.7	2.7	3.7	14.2
300	220	Morgan Crucible	305	+5	8.5	♦	3.9	♦
23½	15½	‡Morris (W) F.A. 20p	20	−½	—	—	—	—
139	96	Moss (Robt.) 10p	128	−2	♦13.0	2.7	3.3	13.8
119	65	Mynson Grp 10p	107xd	+3	2.63	2.0	3.3	13.8
365	259	‡NMW Computers	335	.....	6.0	3.0	0.9	19.3
40	27	Nash Inds.	32	.....	0.5	—	2.2	—
28	16	Neil & Spencer 10p	21	−1	♦—	—	—	—
38	28	Newman Inds 10p	30	.....	0.8	♦	3.0	♦
65	50	Nolton	53	+2	0.95	5.9	2.5	7.6
132	96	‡Norank Systems 5p	110	.....	u3.0	♦	3.6	♦
263	187	Norcros	235	−3	†8.6	2.0	5.2	17.8
91	49	Nu-Swift 5p	88xd	−1	3.5	2.1	5.6	11.8
118	80	Oakwood Grp.	105	.....	5.0	1.3	6.7	14.6
250	205	Office & Elect	237	−3	8.5	2.9	5.2	9.4
102	70	Oldacre 20p	91	−1	†4.0	2.6	6.2	8.1
36	24	‡Optometrics $0.01	24	.....	u0.02c	2.1	6.5	8.8
765	500	Oriflame £1	752	+12	24.5	2.1	4.6	14.6
10	8	Ovenstone 12½c	8xd	−1	‡0.23c	1.9	11.1	4.0
£275	£220	Ozalid 9pc Cnv 87-92	£262	.....	Q9%	—	13.5	—
108	85	‡PCT Grp 10p	95	+10	3.2	1.2	6.9	23.0
£20½	950	PLM 'B' Sk 25	£15½	.....	Q23.2%	0.3	4.2	—
172	114	PSM Intl.	172	.....	d5.5	2.1	4.6	12.8
255	167	‡Pacer Systems $0.01	200	.....	L03.84	3.4	1.3	22.3
78	58	‡Pacific Sales 10p	58	.....	3.0	1.2	7.3	11.0
342	225	Park Place 10p	342	.....	♦6.25	1.9	2.6	28.7
425	246	Parker Knoll 'A'	415	.....	†9.5	2.9	3.2	15.1
525	208	‡Parkfield Group 5p	475	.....	2.4	2.4	0.7	79.4
55	35	‡Pavion Intl.	39	+1	—	—	—	—
£130	£92	Do 11pc CnLn '94-02	£100	.....	Q11%	—	11.3	—
503	393	Pearson	445	.....	10.0	2.0	3.2	14.9
25	12	Peek Holdings 7p	25	+3	—	—	—	—
130	88	Peerless	126	.....	6.3	—	7.0	—
735	283	Pentland 10p	655xd	−8	1.5	22.4	0.3	18.6
£14	775	Photo-Me	£10	.....	†5.08	8.3	0.7	20.4
475	315	Pilkington Br. £1	415	−2	12.5	2.5	4.2	10.3
£385	£293	Pitney-Bowes Cnv. Ln.	£362	.....	Q5½%	—	1.5	—
96	52	Plastic Const. 10p	76	.....	2.8	2.0	5.2	13.3
9½	7	Platignum 5p	9½	.....	—	—	—	—
163	115	‡Platon Int.	148	−2	†2.8	3.2	2.7	12.9
17	9½	Polymark 10p	13½	.....	8—	—	—	—
85	49	Do. CnvPf£ £1	72	.....	10%	—	19.6	—
910	585	Portals	905	.....	22.0	3.4	5.4	12.1
310	238	Powell Duffryn 50p	284	+4	14.0	1.3	6.9	11.6
157	100	Prestwich	126	.....	†b0.53	7.8	0.6	24.7
119	59	Pritchard Svs.	117	−1	♦2.55	♦	3.1	♦
61	35	‡Protimeter 5p	60	.....	1.0	4.1	2.4	14.5
£13½	775	Quotron Systems $0.10	£12¼	−¼	—	—	—	—
206	97	RFD Group 10p	200	−6	♦5.12	2.4	3.6	22.5
130	124	Radiant Metal	125	.....	2.5	0.7	2.8	—
16	14	‡Ramco Oil 10p	16	+2	0.7	♦	6.4	♦
589	420	Rank Org.	550	+10	15.0	1.8	3.8	17.0
250	220	Rauma-Repola Oy	250	.....	Q10%	♦	5.5	♦
900	607	Reckitt & Colman	810xd	.....	16.0	2.4	2.8	17.3
235	118	Redfearn Glass	223	−2	†2.0	6.2	1.3	13.2
270	190	Reed Exec 10p	270	.....	†3.0	4.3	1.6	20.8
905	653	Reed Intl. £1	820	−3	†18.5	2.7	3.2	14.2
162	134	Relyon	162	.....	4.65	2.5	3.9	13.2
295	260	Renwick Group	265	.....	—	—	—	♦
102	88	Restmor	88	.....	4.0	2.0	6.4	10.9
470	345	Reuters 'B' 10p	440	.....	3.25	4.2	1.0	32.4
32	21	Rexmore	30	.....	±1.0	2.1	‡	11.4
160	109	Ricardo	143	−1	†2.75	3.9	2.7	12.4
150	90	Robertson Rsch 10p	100	+2	†h2.1	3.1	3.0	7.0
36	15½	Rock 10p	31	+1	—	—	—	37.0
55	31	Rockware	48	−2	—	—	—	♦
72	68	‡Rolfe & Nolan 10p	68	.....	4.0	2.2	8.3	7.1
152	128	Ropner	136xd	.....	6.5	2.0	6.7	10.4
146	120	Do. 'A'	122xd	.....	6.5	2.0	7.3	9.4
11	3½	‡Rotaprint 5p	8½	+1	8—	—	—	—
270	68	Do. 11½pcCvPf£1	195	+20	8—	—	—	—
130	95	Russell (A.) 10p	102	.....	†1.33	1.6	1.0	48.1
38	29	Ryan Int'l 5p	36	+½	—	—	—	9.9
139	115	‡SAC Intl 10p	128	.....	b1.5	3.8	1.7	22.1
36	17½	SI Group 5p	25	.....	—	—	—	—
*275	211	Sale Tilney	227	+2	♦6.5	2.0	4.0	11.2
98	53	Sandhurst Mkt. 10p	91	.....	1.2	3.0	1.9	22.0
525	373	Scapa Group	460	.....	M12.1	2.7	3.7	12.3
£25¾	£19½	Schlumberger $0.01	£19¾	.....	S1.20	—	4.1	—
131	90	Scott Robertson	131	.....	2.7	3.6	2.9	13.2

LEISURE—Continued

1986 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
115	58	Leisuretime Int 10p	110	.....	2.3	♦	2.9
117	100	‡Lewmar	110	−2	a2.63	3.0	3.4
220	156	‡Media Tech Int 20p	162	−3	L2.58	5.4	2.2
175	140	Medminster 10p	140	.....	†5.35	2.7	5.4
220	130	‡Miss World 10p	175	.....	5.2	3.3	4.2
82	62	Nationwide Leisure	82xd	.....	‡3.75	♦	6.4
17	10½	‡Nimslo Int 20c	16	.....	—	—	—
34½	23	‡Owners Abroad 3p	29¼	−½	1.5	♦	7.1
90	46	Photax (Lon.)	58	−2	—	—	—
34	28½	‡P'dilly Radio NV 5p	29½	.....	—	—	—
80	31	‡Pineapple Dnc St 10p	65	−2	2.0	1.2	9.3
391	200	Pleasurama 5p	295xd	−5	7.5	9.2	3.6
178	136	Do. 7pcCvCmRedPf	141	.....	7%	—	7.0
For Pres Entertainment see Hotels							
43	18	‡Radio City 'A' NV	43	+1	—	—	—
40	33	‡Radio Clyde NV	40	.....	3.25	0.9	12.8
375	322	Really Useful Grp 5p	360	−3	b11.25	2.2	4.4
64	46	Riley Leisure 10p	47	.....	—	—	—
230	177	Saga Hols 20p	172	.....	4.6	2.6	3.8
355	260	Samuelson Grp 20p	295	.....	t2.4	6.0	1.1
123	75	‡Sangers Photo 10p	110	+2	♦2.0	1.9	2.6
170	142	‡Scantro 50p	168	+1	4.0	3.5	3.4
345	188	Scott. TV 'A' 10p	345	.....	a10.5	1.0	4.3
294	114	SeaCo Inc $0.125	140	.....	—	—	—
26	7	‡SelecTV 10p	23	.....	—	—	—
37	20	‡Spectrum 5p	22	−1	‡1.2	4.8	‡
43	31	TSW 5p	39	.....	†1.7	2.4	6.1
235	150	TVS N/Vtg 10p	235	.....	8.0	2.5	4.8
188	137	‡Telemason Svcs 50p	157	−3	2.0	1.6	2.1
61	50	Tottenham Hotspur	61	.....	‡4.0	—	‡
96	66	‡Trident 10p	93	+1	L1.1	3.3	1.7
245	140	‡Tyne Tees TV 'A' £1	245	.....	a10.5	♦	6.0
110	104	Ulster TV N/V 'A'	130	.....	†5.25	2.6	5.7
100	63	‡Viewplan 5p	80	.....	n1.26	—	2.2
195	118	WSL 5p	190	+4	—	—	—
28	17½	‡Webb (Jos.) 5p	26	.....	d0.5	0.7	2.8
27½	16½	‡Williams (Rex) 5p	21	−½	0.91	1.0	6.1
186	125½	Zetters 5p	166	.....	†4.0	3.6	3.4

MOTORS, AIRCRAFT TRADES

Motors and Cycles

1986 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
71	28	BL 50p	38	.....			
270	235	Gen. Mtr. Unes	249	.....	Q25c	—	6.9
136	114	Group Lotus 10p	136	.....	♦—	—	—
484	386	Honda Motor Y50	463	+9	Q24%	♦	1.0
500	335	Jaguar	475	+3	8.6	4.6	2.6
41	22	‡Reliant Motor 10p	22	.....			
£37¾	£28½	Volvo Kr25	£37¾	+¼	Q34%	♦	2.1

Commercial Vehicles

1986 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
50	35	ERF (Hldgs)	47	−1	8—	—	—
92	72	Plaxtons (GB)	80	−1	4.5	1.6	7.9

Components

1986 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
187	139	AE	144xd	.....	†5.0	2.7	4.9
240	145	Abbey Panels	240	.....	2.0	9.3	1.2
78	44	Aerospace Eng.	65	.....	♦d2.52	1.8	5.5
56	34	Airflow Streamlines	41	−2	1.0	5.1	3.4
141	69½	Armstrong Eq. 10p	117	.....	†1.1	5.3	1.4
82	60	‡BTS 10p	72	.....	Rd3.9	2.0	7.6
228	172	Dowty 50p	211	+6	†5.0	2.2	3.3
400	308	FO Group	365xd	.....	†3.13	4.6	1.1
109	55	Kwik-Fit Hldgs. 10p	91xd	+2	2.1	2.9	3.2
653	473	Lucas Inds. £1	561	+3	11.0	4.3	2.0
99	65	‡Spice 5p	98	+1	a2.8	2.1	4.0
77	43	Supra Group 10p	59	.....	2.2	2.6	5.3
59	32	Woodhead (J.)	50	.....	0.1	—	0.3

Garages and Distributors

1986 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
11	7¼	Alexanders 10p	12	−½	—	—	—
138	70	Appleyard Grp.	125	+2	5.0	3.4	5.6
41	24	BSG Int. 10p	34½xd	.....	1.1	♦	4.5
314	183	Bramall (C. D.)	275	.....	d7.77	5.3	4.0
151	91	Brit. Car Auct. 10p	127	−2	†3.25	2.7	3.6
200	168	Caffyns 50p	198	.....	4.5	—	3.2
191	79	Cowie (T.) 5p	164	−1	3.5	3.1	3.0
133	106	Davis Godfrey	116	.....	†h3.75	2.9	4.6
90	66	Gates (F.G.)	78	−2	3.0	2.7	5.6
102	50	Glanfield Lawrence	85	.....	♦1.0	—	1.7
112	67	Hartwells	97	+1	t2.65	3.0	3.0
147	71	Jessups	126xd	+1	†4.0	2.7	4.3

MINES—Continued

1986 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
80	45	‡Colby Res Corp	55	.....	—	—	—
300	175	Cons. Murch. 10c	175	−25	‡Q86½c	3.9	‡
34	28	‡Ennex Int. Ir10p	33	.....	—	—	—
101	70	Greenwich Res	100	.....	—	—	—
143	95	Hampton Areas 10p	140	.....	♦3.75	0.9	3.6
245	165	‡Highwood Res.	220	.....	—	—	—
£19¼	£13¾	Homestake Mining $1	£13⅝	+¼	Q20c	—	1.0
310	180	‡McFinley Red Lake	195	.....	—	—	—
285	195	‡Musto Explorations	200	.....	—	—	—
51	35	‡New Sabina Res C$1	35	−2	—	—	—
260	210	Northgate C$1	212	.....	—	—	—
790	511	RTZ	647xd	−3	22.0	2.8	4.0
£164	£115	Do. 9½pcLn '95-2000	£136½xd	+1	Q9½%	15.5	7.2
950	800	‡Tara Expln $1	884	.....	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 29 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ‡ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 535(3).
- \# Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- ¶ Forecast dividend; cover on earnings updated by latest interim statement.
- † Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ■ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ♦♦ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Annualised dividend. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1986. K Figures based on prospectus or official estimates for 1984. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. R Forecast annualised dividend, cover and p/e based on prospectus or other official estimates. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency

Albany Inv 20p	123xd	.....	Fin. 13% 97/02	£123¾	.....
Craig & Rose £1	£13	.....	Arnotts	343xd	.....
Finlay Pkg. 5p	44xd	.....	CPI Hldgs	58	.....
Holt (Jos) 25p	810	.....	Carroll Inds.	174	−16
IoM Stm. £1	87	−5	Dublin Gas	53	.....
			H&O (D. & H.)	72	−1
IRISH			Heiton Hldgs.	35	.....
Fund 11¼% 1988	£103¾	−⅛	Irish Ropes	100	.....
Nat. 9¾% 84/89	£101	.....	Unidare	190	−3

"Recent Issues" and "Rights" Page 42
(International Edition Page 36)

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £875 per annum for each security.

LONDON STOCK EXCHANGE

MARKET REPORT

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Apr 28	May 8	May 9	May 19
May 12	May 29	May 30	June 9
June 2	June 12	June 13	June 23

* "New-time" dealings may take place from 9.30 am two business days earlier.

Rally in equities gains momentum South African issues weak

FINANCIAL TIMES STOCK INDICES

	May 20	May 19	May 16	May 15	May 14	May 13	year ago
Government Secs	91.73	91.62	91.54	91.98	92.43	91.87	80.91
Fixed Interest	96.82	96.82	96.74	96.89	97.10	96.80	85.79
Ordinary ♥	1306.0	1294.3	1289.5	1302.6	1320.0	1341.2	1020.2
Gold Mines	222.6	241.9	246.1	244.3	251.0	253.6	481.5
Ord. Div. Yield	4.21	4.24	4.25	4.24	4.14	3.95	4.54
Earnings, Yld. % (full)	10.44	10.53	10.57	10.46	10.25	9.82	11.46
P/E Ratio (net) (*)	11.71	11.61	11.57	11.69	11.93	12.45	10.63
Total bargains (Est.)	25,467	26,027	25,714	26,221	26,792	24,857	24,221
Equity turnover £m.	—	365.85	490.93	533.75	680.95	576.43	557.09
Equity bargains	—	22,664	23,887	21,217	23,530	24,567	27,225
Shares traded (m)	—	178.3	212.4	251.1	295.1	274.1	277.7

♥ Opening — 10 am 1303.2. 11 am 1302.0. Noon 1301.9. 1 pm 1302.9. 2 pm 1303.5. 3 pm 1303.8. 4 pm 1304.3. Day's High 1325.0. Day's Low 1294.3. Basis 100 Government Securities 15/10/26. Fixed interest 1928. Ordinary 1/7/35. Gold Mines 12/9/55. Activity 1974. Latest Index 01-246 8026. * Nil=11.31.

HIGHS AND LOWS

	1986 High	1986 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	94.51 (18/4)	80.39 (20/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	97.51 (22/4)	86.55 (25/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ordinary	1425.9 (3/4)	1094.3 (14/1)	1425.9 (3/4/86)	49.4 (26/6/40)
Gold Mines	357.0 (27/1)	222.6 (20/5)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

INDICES	May 19	May 16
Daily		
Gilt Edged Bargains	171.2	131.5
Equities Bargains	148.1	154.2
Value	739.5	992.3
5-day Average		
Gilt Edged Bargains	149.3	143.4
Equities Bargains	151.2	154.6
Value	1070.4	1124.1

Equity markets maintained Monday's recovery movement yesterday, but once again, trading conditions were extremely slow as investors continued to adopt a cautious stance following the recent sharp shakeout.

A steady flow of company trading statements, particularly from the retailing sector, kept interest alive. Preliminary figures above market expectations left **Sainsbury** 8 higher at 386p, after having touched 392p at one stage, while the annual results from **Underwoods**, a shade firmer at 184p, were also well received.

Meanwhile, blue chip industrials traded on a quietly firm note, but the day's improvement owed more to a squeeze on bear positions than to any genuine investment demand. The bulk of yesterday's rise took place in the first hour of business. This was reflected in the Financial Times Ordinary share index which posted a gain of 8.9 at 10.00 am and held around that level until the late afternoon when firmer opening advices from Wall Street encouraged a further modest advance which resulted in a closing rise of 10.7 at 1,305.0.

In complete contrast, South African mining and industrial shares remained under pressure following a fresh slide in the rand and renewed calls for economic sanctions in the wake of the attacks on neighbouring states.

Government securities made headway, despite a small initial setback in response to the overnight fall in the US bond market. Down around ¼ and occasionally more at the outset, long-dated issues gradually improved on the appearance of buyers to settle with rises of ¼ on balance. The shorts followed a similar pattern with low coupon stocks still benefiting from the reinvestment of funds resulting from the recent redemption of Treasury 3 per cent 1986. Index-linked, however, turned easier following exhaustion of the £100m tranche of 2½ per cent 2000. Losses in this area ranged to ¼.

Equity and Law better

After Monday's bout of profit-taking, Equity and Law attracted renewed speculative support fuelled by vague rumours of a bid from British and Commonwealth Shipping and the close was 11 dearer at 266p, after 270p; E and L's AGM is scheduled for today. Lloyds Broker **Hogg Robinson**, meanwhile, also responded to revived takeover chatter and finished 11 to the good at 306p.

Investors continued to ignore the major clearers in the wake of NatWest's record cash call, although the latter hardened 5 at 745p. Elsewhere, **ANZ** dropped 8 afresh to 255p on further consideration of the disappointing half-year results.

Sales promotions group **Clarke Hooper** staged a highly successful debut in the Unlisted Securities Market; the shares, placed at 130p, opened at 150p and moved ahead to close at the day's best of 155p.

Relatively subdued recently, leading Breweries trended firmer as investors took positions ahead of company trading statements due this week. **Bass**, scheduled to reveal interim figures today, closed 15 higher at 768p, while **Whitbread "A,"** expected to announce full-year profits of around £130m today, put on 13 to 290p. **Greenall Whitley**, mid-term results due tomorrow, hardened a couple of pence to 180p.

Occasional support was forthcoming for leading Buildings and **Redland** were noteworthy for a rise of 6 at 423p following reports of a broker's circular; the annual results are due on May 29. **Blue Circle** edged up a couple of pence to 662p and **RMC** were a shade dearer at 636p. Buyers again favoured **AMEC**, up 3 more at 273p, and **BPB Industries**, 2 firmer at 472p. Elsewhere, **John Mowlem** shed 10 to 362p, a two-day fall of 18, following a put-through of 1.9m shares around the 355p level in connection with the acquisition of SGB. **Berkeley Group** were quoted ex rights and rose 8 to 413p, after 415p; the new nil paid shares opened at 50p premium and moved up to 55p premium.

Fine Art wanted

Leading Stores attracted fresh support as the latest FT/CBI survey of distributive trades confirmed the buoyant underlying trend in retail sales. **Woolworth**, still hoping for an increased offer from Dixons, rose 10 to 820p; the offer reaches its first closing date tomorrow. **Sears**, aided by a Press mention, hardened a couple of pence to 124½p, while **Harris Queensway** rose 8 more to 256p as talk persisted that a deal with GUS is imminent. **Coats Viyella** improved 10 to 480p in belated response to a bullish circular from brokers de Zoete and Bevan, while hopes of a full-scale bid from Ratners lifted **H. Samuel "A"** 4 to 126p. **Fine Art Developments**, the greetings card manufacturer, spurted 16 to 156p in response to the bumper preliminary profits. Fresh speculative demand was evident for **Sumrie Clothes**, 5 to the good at 39p, and **Dunhill**, 13 better at 453p. **Underwoods** hardened a couple of pence to 184p following the full-year figures.

Amstrad fell 23 to 542p, after 535p, following the sale by the chairman Mr Alan Sugar of around 5m shares in the company at 520p per share. **Air Call** dropped 5 to 245p in reaction to adverse comment, but **Miles 33** advanced 18 to 393p in response to the annual results and proposed 100 per cent scrip-issue. **SCUSA** rose 12 to 148p, after 150p, on revived takeover speculation and speculative buying prompted gains of 4 and 8 respectively in **Electronic Rentals**, 60p, and **Atlantic Computers**, 273p. **United Scientific** rallied 7 to 132p after further consideration of the first-half figures, while **FKI** hardened a fraction more to 78p after Monday's confirmation of the purchase of Thorn EMI's engineering and components division. Leading Electricals plodded an irregular course in thin trading. **STC** moved up 4 to 150p, after 152p, on reports of a pending broker's circular.

Features in Engineerings were few and far between. **Yarrow** gained 10 more for a two-day jump of £2 at 830p following the surprise bid from CAP Group. **Babcock International** continued firmly at 177p, up 4, while **G. M. Firth** revived with an improvement of 7½ at 66½p. Of the leaders, **GKN** moved up 5 afresh to 329p.

The Food sector commanded more attention than most, with bid developments and trading statements the main source of interest. On the takeover front, **S. and W. Berisford** dipped to 200p prior to closing 9 down on balance at 209p following the decision to refer the respective bids from Tate and Lyle and Hillsdown Holdings to the Monopolies Commission. The decision also upset **Hillsdown**, which reacted to 268p before bear closing left the price a net 7 down on the day at 273p. **Tate and Lyle**, however, rose 8 to 563p. Preliminary profits some £6m above market estimates gave a strong boost to major food retailer **J. Sainsbury** which closed 8 higher at 386p, after 392p. **Tesco**, reporting shortly, were 5 better at 363p in sympathy. **Ranks Hovis McDougall** revealed interim profits in line with market expectations, but the price, after touching 205p on the announcement, slipped back to close 2 cheaper on balance at 202p. Elsewhere, a speculative flurry lifted USM-quoted **Jack L. Israel** 3½ to 30½p, while old takeover favourite **Meat Trade Suppliers** revived with a gain of 10 at 115p.

Grand Metropolitan traded within fairly narrow limits before late support left the close 11 higher on balance at 405p. **Ladbroke** firmed 4 to 324p and **Trusthouse Forte** improved 2 to 152p. **Prince of Wales Hotels** gained 5 to 80p on vague takeover rumours.

Boots below best

Boots helped enliven an otherwise quiet day for the miscellaneous industrial leaders, rising 7 to 255p, after 256p, on vague rumours of a possible bid from **Fisons**, 3 harder at 578p. **Trafalgar House** added 8 to 300p following an announcement that a consortium headed by Trafalgar had decided not to bid for the management of the Devonport dockyard in south-west England. **British Aerospace** jumped 21 to 551p following the West German Tornado order, while **Clement Clarke** continued strongly, rising 45 afresh to 235p on news of a bid approach. **Brengreen** moved up 3 to 39½p amid Pritchard Services merger speculation and **Standard Fireworks** added 13 to 155p following the counter offer from **Scottish Heritable**, 4 higher at 180p. **Berisfords** jumped 12 to 108p on hopes of an increased offer from Allied Textile, while **Hestair** reflected bid speculation with a gain of 5 at 170p. **A. and P. Appledore**, however, plummeted 50 to 260p on acute disappointment with the interim profits, while **James Crean** dipped 25 to 345p following the proposed rights issue.

Dowty, the subject of persistent BTR bid rumours recently, advanced 6 more to 211p with sentiment additionally buoyed by a circular from brokers de Zoete and Bevan.

United Newspapers advanced 7 to 350p helped by the confident tenor of the chairman's statement at the annual meeting. Elsewhere, persistent takeover hopes lifted **Spafax Television** 4 for a two-day advance of 20 to 115p.

Business in Properties remained in low key and the leaders closed with small irregular movements. **Land Securities**, a firm market on Monday reflecting traded option business, softened a couple of pence to 316p, but **MEPC** were finally a shade better at 345p. **British Land**, which recently announced a major acquisition, touched 177p before profit-taking left the close only 2 dearer on balance at 174p. Secondary issues were featured by **Marler Estates** which gained 40 to 385p, after 400p, following news of the agreed offer worth some £9m for Fulham Football Club to be financed by a rights issue; Marler has also received detailed planning permission for residential development of Stamford Bridge, the home of Chelsea FC.

Shippings returned to favour under the lead of **P & O Deferred**, 12 to the good at 540p. **British and Commonwealth**, a nervous market recently following the preliminary results and vague suggestions that the company is about to launch a bid for Equity and Law, rallied 13 to 310p on "cheap" buying; **Caledonia** advanced 8 to 285p in sympathy. **Mersey Docks** improved a few pence to 41p after revealing sharply increased full-year profits.

Courtaulds featured otherwise idle Textiles, rising 8 to 271p; the preliminary figures are scheduled for Thursday-week.

The firm showing by crude oil prices in the US overnight prompted a strong opening in oil shares. However, a subsequent downturn in European spot prices and left most leading oils below the best, but **BP** retained early strength and eventually closed 16 higher at 578p on favourable reports of a meeting between the company and oil sector analysts. **Shell** put on 6 more to 788p, **LASMO** rose 7 to 127p, after 130p, and **Britoil** edged up 3 to 182p.

Widespread international criticism of the South African attacks on targets in Zimbabwe, Zambia and Botswana, and ensuing calls for harder economic sanctions by Western European nations against the Republic, triggered another sharp decline in the South African currency and led to further steep falls in gold and related shares. Industrial issues also suffered badly. Actual selling pressure in South Africans was minimal but the progressive decline in the Rand prompted share dealers to mark prices lower throughout the session. At the close of business Golds were at, or around the day's lows, and the Gold Mines index dropped 13.2 to 228.7 — its lowest level since early November last year.

Falls in the leading Golds stretched to £3¼ with **"Amgold"** that amount lower at £39¼. **Vaal Reefs** dropped £2¼ to £38¼ and **Randfontein** £2½ to £45¼, while cheaper priced issues showed **Simmer and Jack** 20 down at 90p, **Elandsrand** 33 off at 305p and **Kloof** 50 lower at 375p.

London-domiciled mining financials mirrored the widespread decline throughout South Africans. **Consolidated Gold Fields** gave up 11 to 447p, after 445p but **Rio Tinto-Zinc**, with a much smaller exposure to southern Africa, showed only a 3 decline at 647p.

Traded Options

Activity in Traded Options centred on **Hanson Trust** which attracted steady demand and recorded 1,752 calls and 586 puts. Business elsewhere, however, remained relatively quiet. Total contracts transacted amounted to 13,926.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	77	14	21
Corpns. Dom. & Foreign Bonds	2	12	53
Industrials	329	270	893
Financial & Props.	93	119	384
Oils	26	19	75
Plantations	1	1	13
Mines	14	88	78
Others	47	72	89
Totals	589	589	1,686

TRADITIONAL OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
May 19	June 6	Aug 28	Sept 8
June 9	June 20	Sept 11	Sept 22
June 23	July 4	Sept 25	Oct 6

For rate indications see end of Unit Trust Service

Call options were taken out in Premier Oil, North Sea and General, Richardson Westgarth, WSL, Tozer Kemsley and Millbourn, Johnson and Firth Brown, Charterhall, Sound Diffusion, Amstrad, STC, Control Securities, Trusthouse Forte, Sycamore and Apricot Computers. No puts were reported, but a double was transacted in STC.

RECENT ISSUES

EQUITIES

Issue Price	Amount Paid up	Latest Renunc. Date	1986 High	1986 Low	Stock	Closing Price	+ or −	Net Div.	Times Cov'd	Gross Yield	P.E. Ratio
‡130	F.P.	13/6	135	125	Adler 5p	125		03.0	2.4	3.4	17.7
460	F.P.	—	61½	55	Brit. Int. Airways 10p	55	−1½	bg2.82	2.1	7.2	7.7
‡130	F.P.	—	155	150	Clarke Hooper 5p	155		1.5	2.9	2.2	23.3
‡125	F.P.	6/6	138	130	Camb. Lease Fin. 50p	135		L1.35	3.9	1.4	19.4
107	F.P.	—	131	113	Dalepak Foods 5p	129	−1	2.3	3.2	2.5	17.5
‡155	F.P.	6/6	232	172	Davies (D.Y.) 5p	228	−2	u3.4	2.7	2.1	24.6
‡50	F.P.	—	57	50	Dean & Bowes 5p	57	+1	1.25	1.5	6.2	15.4
‡130	F.P.	6/6	151	139	Dubilier 10p	139	−1	u4.0	2.7	4.1	13.1
—	—	—	35	27	German Secs. Warrts.	34	+2	—	—	—	—
‡120	F.P.	18/6	128	121	Green (E) & Part 5p	121		R3.6	2.7	4.8	13.0
120	F.P.	30/5	130	117	Ideco Hldgs 10p	118		u2.7	3.3	3.2	13.4
104	F.P.	—	118	94	Jurys Hotel	96		b3.75	2.1	5.6	10.4
180	F.P.	29/5	187	154	Lee International 10p	158		R5.5	2.9	3.5	14.1
‡70	F.P.	14/5	95	80	Lodge Care	89		Q2.0	2.4	3.2	18.5
‡	F.P.	—	62	49	Merlin Int'l Props	57	−3	‡0.58	2.0	1.8	42.2
157	F.P.	—	157	146	Monotype Corpn. 10p	146	−1	b4.4	1.6	4.2	14.5
‡105	F.P.	6/6	132	112	Masterlin 20p	132		u3.0	2.8	3.2	12.7
‡‡	F.P.	—	105	78	NMC Inv. Wrrts.	105	+10	—	—	—	—
75	F.P.	13/6	89	81	River Merc GC&IT Inc.	95		—	—	—	—
10	F.P.	11/7	11½	10¾	Do. Cap	11		—	—	—	6.5
‡‡	F.P.	—	900	700	Rodime 5p	725		—	—	2.7	—
—	F.P.	6/6	700	560	Schroders £1 NV	560	−15	b10.75	—	—	—
‡72	F.P.	13/6	74	72	Splash Prods. 10p	72		u3.27	1.6	6.4	14.0
‡140	F.P.	6/6	141	128	Tech. Prods. 10p	128		u2.49	2.3	2.7	21.9
160	F.P.	6/6	185	172	Tip Top 10p	173	+2	R2.0	3.7	1.6	23.3
‡100	F.P.	23/6	102	99	Usher (Frank) 5p	100		u4.5	1.4	6.3	11.9
145	F.P.	—	158	150	Westbury 10p	155	+3	b4.3	3.1	3.7	12.3
‡110	F.P.	—	139	125	Worcester 10p	140		1.53	1.6	5.6	13.7

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1986 High	1986 Low	Stock	Closing Price £	+ or −
99.999	£25	11/7	27¼	24¾	ASDA Props. 10¾% 1st. Mt. Deb. 2011	25	....
95.527	F.P.	16/4	107¼	104½	Brit. Land 10½% 1st. Mort. Deb. '19/24	105½	−1¾
100	£10	—	10	9¾	Cambridge Water 10% Red Deb '96-98	9⅝	+½
‡100	£10	3/7	11¾	9¾	Colne Valley Water 10% Red. Deb. '96/98	9¾	−½
‡100	£10	3/7	10½	10	Do. 6¾% Red. Pref. '92/94	10	....
109.89	£40	—	39½	39¼	Estates & Gen. 11¾% 1st Deb. 2018	39½	−⅛
98.146	F.P.	24/10	99½	98¾	Estates Prop. Inv. 10% 1st. Mt. Deb. 2011	99	−½
97.963	£25	24/10	25⅞	24¾	Gt. Portland 6% Cum. Conv. Red. Pref.	24⅞	....
‡‡	F.P.	—	120	109½	Hanson Tst. 10% Conv. Un. Ln. '07-12	117½	−½
§	F.P.	29/5	111p	103p	Ind. Leisure 7¾% Cnv. Cum. Red. Pref.	108p	—
103.525	£25	—	26	24	Land Secs. 10% 1st. Mort. Deb.25	24	−⅛
100p	F.P.	14/5	112p	103p	Lodge Care 7¾% Cum. Cv. Red. Pf. '91-96	110p	—
‡99.951	£40	14/7	42	38½	Lon. Prov. Shop 10% 1st. Mtg. Deb. 2006	38½	−1
100	£10	—	10	9¾	Mid Southern Water 10% Red Deb '95-98	9¾	—
—	F.P.	—	99⅝	99⅛	Nationwide Bld Soc 9½% 27/4/87	99⅛	−⅛
—	F.P.	—	100	99⅛	Do. 9¾% Bds 18/5-87	99⅛	−⅛
‡99.623	£40	30/6	41¼	38¾	Peel Hldgs. 9¾% 1st. Mort. Deb. 2011	38¾	....
‡87.179	£30	—	30½	29¾	Portugal 9% Ln. 2016	29¾	....
‡99.288	£40	1/8	44	41¼	Queens Moat 10¼% 1st. Mort. Deb. 2020	42¼	−⅛
‡‡	F.P.	29/5	108p	102p	Spong 7% Cnv. Cum. Red. Pref.	105p	—
‡99.480	£25	18/7	31⅛	24¾	S.E. 10¼% Mort. Deb. 2016	20	+⅛
£100	£50	—	50¾	49¾	Witan Inv. 8½% Deb 2016	50	....

"RIGHTS" OFFERS

Issue Price	Amount Paid up	Latest Renunc. Date	1986 High	1986 Low	Stock	Closing Price £	+ or −
35	Nil	20/6	27pm	24pm	Ashley Ind. Tst. 'A'	26pm	+2
355	Nil	—	55	50	Berkeley Group	55	....
310	Nil	—	45pm	39pm	Burmah £1	45pm	+7
205	Nil	20/6	62pm	42pm	Connells Est. Agents	43pm	+1
235	F.P.	9/6	268	240	EIS	245	+5
221	Nil	4/7	13pm	3pm	F & C Eurotrust	5pm	....
125	Nil	4/7	40pm	9pm	Hestair	40pm	+8
400	F.P.	30/6	467	413	Low & Bonar 50p	427	+12
103	Nil	27/6	13pm	10pm	Pres. Entertain 50p	12pm	....
113	Nil	27/6	48pm	38pm	Ratners 10p	41pm	−1
500	Nil	12/6	105pm	65pm	Rosehaugh 20p	65pm	−5
705	Nil	20/6	65pm	30pm	Saatchi & Saatchi 10p	35pm	+5
‡‡	F.P.	—	18	13½	St. Modwen Props. 20p	15½	....
225	Nil	19/5	17pm	2½pm	Sale Tilney	2½pm	....

Renunciation date usually last day for dealing free of stamp duty. *a* Annualised dividend. *b* Figures based on prospectus estimates. *g* Assumed dividend and yield. *h* Assumed dividend and yield after scrip issue. Forecast dividend cover on earnings updated by latest interim statement. *H* Dividend and Yield based on prospectus or other official estimates for 1987. *L* Estimated annualised dividend, cover and p/e based on latest annual earnings. *R* Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. *t* Indicated dividends; cover relates to previous dividend; p/e ratio based on latest annual earnings. *u* Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. ¶ Issued by tender. ‖ Offered holders of ordinary shares as a "rights." § § Introduction. ** Issued by way of capitalisation. § Placing price. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or takeover. ||| Allotment price. ♦ Unlisted securities market. ‡‡ Dealt in under Rule 535 (3). ♥ Dealt in under 535 (4) (a) †* Official London listing.

NEW HIGHS AND LOWS FOR 1986

NEW HIGHS (59)

BRITISH FUNDS (7) Treas. 8½pc 1984-1986, Exchqr. 2½pc 1986, Treas. 3pc 1987, Treas. 3pc 1989, Treas. 5pc 1986-89, Treas. 3pc 1990, Exchqr. 2½pc 1990. AMERICANS (1) Sperry Corp. BANKS (1) Joseph (Leopold). BREWERS (1) Buckley's Brewery. BUILDINGS (3) Helical Bar, Manders, Wiggins Group. CHEMICALS (1) Scot. Agricl. Inds. STORES (3) Fine Art. Dvlpts, Limited Inc., NSS News. ELECTRICALS (7) ASEA AB A, Do. B, Ealing Electro, FKI Electricals, Feedback Miles 33, Rotaflex. ENGINEERING (2) Rotork, Yarrow. INDUSTRIALS (15) Assoc. Brit. Eng., 8pc Cnv. Cum. Red. Pref., Beatobait, Blue Arrow, CH Industrials, Caparo Inds., Do. 8¼pc Cnv. Pref., Do. 8pc Cnv. Pref., Clarke (Clement), Feedex Agricultural, Harris (Ph.): Hestair, Johnsen & Jorgensen, Keep Trust, Peek Hldgs., Standard Fireworks. INSURANCE (1) Marsh & McLennan. LEISURE (2) Anglia TV A, LWT. PAPER (5) Ferry Pickering, Hoggett Bowers, Holmes & Marchant, Michael (J.) Design, Midward Brown. PROPERTY (2) Evans of Leeds, Warnar Estate. SHIPPING (1) Mersey Dock Units. TEXTILES (2) Bulmer & Lumb, Sakers Internatl. TRUSTS (3) Anglo Amer. Secs., London & Gartmore, Rights & Issues Cap. OILS (1) Shell Transport. MINES (1) Central Pacific.

NEW LOWS (66)

AMERICANS (1) CSX Corp. BANKS (3) Copenhagen Handelsbank, First Nat. Fin. 6.3pc Cnv. Cum. Red. Pref., Mercury Internatl. BUILDINGS (1) Ramus. CHEMICALS (2) Schering AG, Wolstenholme Rink. STORES (1) Goodman Bros. ELECTRICALS (9) Godwin Warren, IBL, Mentcom Intl., Memec, Murray Electronics, Murray Tech. Invs., Ren Data Corp., Sigmex Intl., Telemetrix. ENGINEERING (1) Wyndham. INDUSTRIALS (4) Eastern Produce, High-Point Services, Securicor Group, TSL Thermal Syndicate. SOUTH AFRICANS (2) Anglo-Amer. Indl., New Klein Props. TRUSTS (2) German Secs., Stewart Enterprise Inv. OILS (2) ERIC, Monarch Pet. PLANTATIONS (1) Anglo-East. Plants. MINES (37).

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS Figures in parentheses show number of stocks per section	Tues May 20 1986 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 29%)	Est. P/E Ratio (Net)	xd adj. 1986 to date	Mon May 19 Index No.	Fri May 16 Index No.	Thurs May 15 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (214)	712.09	+0.5	8.38	3.42	15.14	7.67	708.56	704.84	714.70	561.32
2	Building Materials (26)	789.19	+0.4	8.61	3.53	14.74	7.97	786.40	785.41	796.80	546.84
3	Contracting, Construction (29)	1168.76	+0.2	8.20	4.10	16.14	18.46	1166.06	1173.23	1193.61	765.03
4	Electricals (12)	1933.91	+0.6	7.66	3.91	17.33	29.92	1922.37	1928.63	1936.13	1518.22
5	Electronics (38)	1638.71	+0.5	8.90	2.78	14.91	9.74	1630.12	1607.67	1630.56	1630.51
6	Mechanical Engineering (64)	408.38	+1.1	9.29	3.86	13.60	5.77	404.01	401.97	406.29	315.71
8	Metals and Metal Forming (7)	345.56	−0.2	7.56	4.92	17.19	4.35	346.18	345.19	351.57	198.14
9	Motors (16)	283.78	+0.3	9.29	3.39	12.56	3.33	282.83	282.39	285.55	165.03
10	Other Industrial Materials (22)	1280.29	+0.3	6.47	3.10	18.56	13.80	1276.60	1268.58	1290.54	1004.54
21	CONSUMER GROUP (183)	888.16	+0.8	7.25	3.20	15.96	8.18	881.06	877.99	883.84	666.43
22	Brewers and Distillers (22)	917.81	+1.6	9.26	3.45	13.09	7.20	903.04	903.84	913.96	603.89
25	Food Manufacturing (22)	645.24	−0.1	9.38	4.00	13.93	9.37	646.01	644.50	650.97	513.12
26	Food Retailing (15)	1847.73	+1.2	6.25	2.52	21.76	7.73	1826.70	1812.87	1842.03	1624.42
27	Health and Household Products (10)	1488.18	+0.3	5.65	2.26	20.83	6.52	1484.39	1479.96	1488.03	1056.21
29	Leisure (25)	857.83	+0.3	8.21	4.10	15.90	14.01	855.49	850.07	855.04	696.68
32	Publishing & Printing (14)	2299.75	+0.1	7.39	4.11	17.48	28.02	2296.38	2292.44	2335.51	1787.75
33	Packaging and Paper (14)	446.81	−0.1	7.72	3.57	16.23	4.29	447.45	451.09	459.72	322.11
34	Stores (42)	866.16	+1.1	6.62	2.69	20.53	5.27	856.38	849.80	842.47	641.22
35	Textiles (17)	516.04	+2.0	9.24	3.49	12.45	4.52	506.13	503.69	509.55	330.05
36	Tobaccos (2)	1028.98	+1.8	13.87	4.74	8.08	20.60	1010.41	1021.85	1039.55	855.41
41	OTHER GROUPS (86)	774.38	+0.3	8.64	3.82	14.80	6.38	772.33	769.89	776.18	714.67
42	Chemicals (19)	854.60	+0.6	10.71	4.74	11.32	16.72	849.63	847.86	858.99	759.60
44	Office Equipment (4)	266.14	+1.2	7.34	3.82	16.48	4.53	263.07	262.60	269.30	187.96
45	Shipping and Transport (12)	1557.28	+2.0	8.39	3.95	14.52	21.67	1526.93	1517.28	1540.04	1195.12
47	Telephone Networks (2)	883.64	−0.2	9.33	3.66	14.70	8.93	885.50	876.82	879.21	893.31
48	Miscellaneous (49)	997.82	+0.1	6.48	3.33	19.80	6.73	996.63	999.59	1009.98	893.93
49	INDUSTRIAL GROUP (483)	824.25	+0.6	8.18	3.40	15.45	7.73	819.38	816.00	823.52	660.05
51	Oil & Gas (17)	1206.82	+1.7	16.94	7.48	7.85	40.53	1185.87	1173.97	1170.35	1181.94
59	500 SHARE INDEX (500)	857.93	+0.7	9.13	3.85	13.68	10.29	851.85	847.79	854.49	703.98
61	FINANCIAL GROUP (116)	590.39	+0.3	—	4.42	—	9.19	588.47	587.64	593.95	476.84
62	Banks (7)	626.05	+0.2	18.72	5.42	7.41	14.83	625.08	621.46	628.41	478.60
65	Insurance (Life) (9)	807.83	+0.5	—	4.52	—	17.27	804.11	804.95	808.01	723.02
66	Insurance (Composite) (7)	492.25	+1.0	—	4.21	—	8.00	487.33	491.61	499.87	354.37
67	Insurance (Brokers) (8)	1177.80	+0.3	8.88	4.07	14.62	20.59	1174.46	1175.38	1210.96	1132.67
68	Merchant Banks (11)	351.23	+0.5	—	3.89	—	1.60	349.43	347.95	352.87	235.84
69	Property (50)	752.44	−0.1	5.54	3.51	23.82	4.13	753.34	748.20	749.66	642.54
70	Other Financial (24)	343.37	+0.1	8.03	4.31	15.26	2.87	343.15	342.99	346.71	292.83
71	Investment Trusts (103)	734.13	−0.2	—	2.98	—	5.78	735.43	738.66	750.06	608.93
81	Mining Finance (3)	282.29	−1.0	12.60	5.65	9.19	6.11	285.27	285.59	287.86	289.35
91	Overseas Traders (14)	686.67	+0.3	12.02	6.02	9.88	11.72	684.30	683.59	692.05	660.83
99	ALL-SHARE INDEX (736)	780.41	+0.6	—	3.93	—	9.77	775.83	772.94	779.69	641.92

	Index No.	Day's Change	Day's High	Day's Low	May 19	May 16	May 15	May 14	May 13	Year ago
FT-SE 100 SHARE INDEX ♦	1585.8	+12.7	1585.9	1579.8	1573.1	1564.9	1575.7	1594.3	1623.3	1334.1

FIXED INTEREST

	PRICE INDICES	Tues May 20	Day's change %	Mon May 19	xd adj. today	xd adj. 1986 to date
	British Government					
1	5 years	124.11	+0.12	123.96	—	4.58
2	5-15 years	145.78	+0.15	145.56	—	4.58
3	Over 15 years	152.49	+0.15	152.27	—	5.67
4	Irredeemables	170.62	−0.16	170.90	—	6.07
5	All stocks	140.83	+0.14	140.64	—	4.81
	Index-Linked					
6	5 years	113.19	−0.10	113.31	—	0.81
7	Over 5 years	120.08	−0.29	120.43	—	1.21
8	All stocks	118.83	−0.26	119.14	—	1.14
9	Debentures & Loans	122.02	+0.02	122.00	—	4.76
10	Preference	89.39	+0.16	89.25	—	2.97

	AVERAGE GROSS REDEMPTION YIELDS		Tues May 20	Mon May 19	Year ago (approx.)
	British Government				
1	Low	5 years	7.69	7.77	10.53
2	Coupons	15 years	8.78	8.79	10.79
3		25 years	8.80	8.81	10.41
4	Medium	5 years	8.92	8.95	11.51
5	Coupons	15 years	9.11	9.12	11.06
6		25 years	9.12	9.13	10.57
7	High	5 years	9.85	9.89	11.58
8	Coupons	15 years	9.24	9.25	11.19
9		25 years	9.18	9.17	10.74
10	Irredeemables†		8.74	8.72	10.16
	Index-Linked				
11	Inflat'n rate 5%	5 yrs.	3.60	3.54	0.0
12	Inflat'n rate 5%	Over 5 yrs.	3.28	3.26	0.0
13	Inflat'n rate 10%	5 yrs.	2.39	2.33	0.0
14	Inflat'n rate 10%	Over 5 yrs.	3.11	3.09	0.0
15	Debs &	5 years	10.15	10.13	12.11
16	Loans	15 years	10.07	10.07	11.80
17		25 years	10.00	10.01	11.62
18	Preference†		10.74	10.76	12.61

♦Opening index 1579.8; 10 am 1585.2; 11 am 1584.4; Noon 1583.2; 1 pm 1583.2; 2 pm 1583.3; 3 pm 1583.7; 3.30 pm 1584.8; 4 pm 1584.9

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London EC4P 4BY, price 15p, by post 28p.

YESTERDAY'S ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Amstrad	542	−23
Berisford (S. & W.)	209	− 9
Boots	255	+ 7
British Aerospace	551	+21
BP	578	+16
Clarke Hooper	155	—
De Beers Deld	453	− 3
Fine Arts Dvlopments.	156	+16
Fisons	578	+ 3
Hestair Nil Paid	40pm	+ 8
Hogg Robinson	306	+11
Saatchi & Saatchi	765	+15

MONDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List

Stock	No. of changes	Mon. close	Day's change
Amstrad	15	565	−18
Dalepak Foods	16	130	+ 9
Hestair	15	165	−17
Caparo Inds	15	54	+ 7
Polly Peck Intl	12	193	+ 5
Sekers Intl.	12	131	+12
Barclays	11	502	+ 5
Bestwood	11	585	+ 5
Cable & Wire	11	635	+12
Dowty	10	205	+ 9
Fisons	10	575	+ 9
NMC Invs.	10	128	+38

EUROPEAN OPTIONS EXCHANGE

Series		Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	Stock
GOLD C	$320	50	30	20	38A	—	—	$339.50
GOLD C	$340	35	16	3	20	1	26	"
GOLD C	$350	124	10B	1	12.50	—	—	"
GOLD C	$360	39	7	15	12	—	—	"
GOLD C	$380	15	2	—	—	—	—	"
GOLD C	$400	60	1	—	—	—	—	"
GOLD P	$300	30	1.90	—	—	—	—	"
GOLD P	$320	70	3.50	5	6	—	—	"
GOLD P	$330	20	2	—	—	—	—	"
GOLD P	$340	42	9.50	—	—	—	—	"
GOLD P	$350	—	—	5	17	—	—	"
GOLD P	$360	—	—	20	21	—	—	"
		June		Sept.		Dec.		
SILV C	$400	13	90	—	—	—	—	$491
SILV C	$500	2	10	19	25	—	—	"
SILV P	$550	—	—	—	—	5	60	"
$/FL C	FL245	34	8.80	—	—	—	—	FL252.20
$/FL C	FL250	209	5.80	2	9	—	—	"
$/FL C	FL255	42	3	2	6.50	—	—	"
$/FL C	FL260	141	1.80	22	5	—	—	"
$/FL C	FL280	35	0.10	—	—	—	—	"
$/FL P	FL235	20	0.60	—	—	—	—	"
$/FL P	FL240	172	0.70	6	4.20	—	—	"
$/FL P	FL245	2467	1.80	34	6	—	—	"
$/FL P	FL250	364	4.20	—	—	—	—	"
$/FL P	FL255	25	6.80A	10	11A	—	—	"
		July		Oct.		Jan.		
ABN C	FL580	164	11	27	18	12	26	FL549
ABN P	FL540	148	7.50	31	16	2	10	"
AEGN C	FL105	125	3.40	18	5.60	3	7.30	FL100.70
AEGN P	FL95	32	1.80	—	—	1	5	"
AH C	FL85	149	1.80	3	4	2	6A	FL78.20
AH P	FL70	10	0.70	—	—	—	—	"
AKZO C	FL170	1099	5	251	10.30	62	13.80	FL163.60
AKZO P	FL170	909	9.50	6	10.10	4	12	"
AMEV C	FL70	64	7	6	9	12	11A	FL76.20
AMEV P	FL75	5	5	2	5	—	—	"
AMRO C	FL110	225	1.60	27	2.90	4	4.90	FL96
AMRO P	FL95	126	2.70	13	5	—	—	"
GIST C	FL270	145	8	10	178	2	26	FL261
GIST P	FL260	20	6.70	46	11.20	—	—	"
HEIN C	FL160	36	4	47	7	1	9	FL149.70
HEIN P	FL160	17	10	—	—	—	—	"
HEO C	FL165	—	—	26	5	—	—	"
HEO P	FL165	35	16	—	—	—	—	"
HOOG C	FL110	401	5.50	181	e	26	11	FL108.50
HOOG P	FL100	244	3	260	4.80	—	—	"
KLM C	FL50	627	3.10	162	5	178	6.20	FL50.60
KLM P	FL50	351	2.30	111	4.20	60	4.70B	"
NEDL C	FL170	96	4.30	8	7.80	1	11	FL170.30
NEDL P	FL160	46	8.80	—	—	16	13	"
NATN C	FL85	243	1.50	97	3.60	10	5	FL80.30
NATN P	FL75	21	1.40	—	—	—	—	"
PHIL C	FL50	586	5.40	23	7.80A	67	8.90A	FL53.70
PHIL P	FL55	513	2.70	84	3.60	173	4.30	"
RD C	FL180	2205	13	216	16.50	92	22	FL189
RD P	FL180	889	2.40	124	5.40	99	5.50	"
ROBE C	FL95	10	0.70	2	2.80A	—	—	FL89.80
UNIL C	FL440	565	11.80	196	25	34	30	FL428.80
UNIL P	FL440	149	16.10	18	24	—	—	"

TOTAL VOLUME IN CONTRACTS: 61,085

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option		Calls July	Calls Oct.	Calls Jan.	Puts July	Puts Oct.	Puts Jan.
Allied Lyons (*321)	300	35	53	68	10	13	20
	330	17	37	45	24	35	42
B.P. (*578)	500	88	100	110	3	6	12
	550	42	62	73	10	22	30
	600	16	30	40	55	45	50
Cons. Gold (*449)	420	42	—	—	8	—	—
	460	27	44	55	32	35	42
	500	11	27	32	60	67	74
Courtaulds (*271)	240	36	53	—	5	9	—
	260	27	41	50	8	16	24
	280	17	31	32	23	24	31
	300	6	15	—	37	38	—
Com. Union (*317)	300	29	39	51	6	12	16
	330	12	24	32	17	22	26
	360	4	14	22	43	46	49
Cable & Wire. (*650)	600	60	90	110	17	25	45
	650	40	60	83	35	50	70
	700	18	40	63	75	85	95
	750	6	20	43	120	130	135
Distillers (*657)	550	140	155	—	1½	3	—
	600	90	110	—	5	12	—
	650	45	80	—	10	25	—
	700	25	40	—	35	55	—
G.E.C. (*183)	160	34	42	—	2	4	—
	180	20	28	36	6	9	11
	200	9	16	24	16	20	22
	220	5	9	16	34	36	40
Grand Met. (*403)	382	42	60	—	10	20	—
	390	—	—	67	—	—	30
	420	10	35	50	30	35	43
I.C.I. (*891)	850	73	95	—	15	30	—
	900	37	62	90	32	30	57
	950	25	40	64	70	72	80
	1000	11	23	—	112	117	—
Land Sec. (*316)	280	37	46	—	2	4	—
	300	20	31	39	6	10	15
	330	6	13	23	20	25	28
Marks & Spen. (*199)	180	24	33	42	2½	6	9
	200	14	22	28	10	14	18
	220	5	13	19	24	26	31
Shell Trans. (*790)	700	103	120	130	5	13	20
	750	60	80	95	13	22	33
	800	20	43	55	35	40	45
Trafalgar House (*299)	300	10	30	37	18	25	26
	330	7	16	22	38	41	46
	360	2	5	—	64	65	—

Option		Calls May	Calls Aug.	Calls Nov.	Puts May	Puts Aug.	Puts Nov.
Brit. Aero (*541)	500	45	72	88	1	12	20
	550	7	45	60	15	35	45
	600	2	20	37	60	60	70
BAT Inds (*370)	360	15	40	57	5	17	25
	390	5	22	42	25	35	42
	420	1	12	23	55	60	62
	460	1	5	10	95	95	97
Barclays (*502)	460	42	70	87	2	9½	17
	500	10	40	57	8	27	32
	550	2	20	34	52	60	62
Brit. Telecom (*220)	220	18	24	34	2	11	16
	240	2	14	22	14	24	20
	260	1	7½	14	34	38	40
Cadbury Schweppes (*161)	160	—	13	20	—	10	14
	180	—	5	10	—	22	30
Imperial Gr. (*347)	300	48	60	75	1	2½	5
	330	20	30	52	1½	8	13
	360	1½	10	25	15	23	27
Ladbroke (*323)	300	—	39	48	—	7	10
	330	—	19	31	—	16	20
LASMO (*126)	100	28	39	46	1	4	7
	110	10	34	38	1	6	11
	120	10	25	29	3	11	16
Lonrho (*253)	218	34	46	92	1	4	8
	236	16	31	39	1½	11	15
	255	5	21	30	7	22	26
	273	1½	13	19	22	39	36

Option		Calls May	Calls Aug.	Calls Nov.	Puts May	Puts Aug.	Puts Nov.
P. & O. (*540)	460	78	93	107	1	4	7
	500	38	60	73	2	13	27
	550	3½	30	43	20	33	45
	600	1	13	25	67	73	78
Racal (*204)	160	48	56	—	1	3	—
	180	28	40	52	1	7	9
	200	10	26	38	4	14	18
	220	2	14	24	16	24	30
R.T.Z. (*649)	650	10	54	72	10	43	50
	700	5	35	55	55	67	72
	750	2	20	37	105	105	107
	800	1	11	22	155	152	155
Vaal Reefs (*$57)	60	2½	9	11	5½	8½	11
	70	1	4	7	14	15½	17
	80	1	2	4	24	24	25½
	90	0¼	1	2¼	34	34	34½
Tr. 11¾% 91 (*£110)	108	2¼	3½	4⅛	0⅛	0⅝	1⅛
	110	1	2⅝	3⅛	0⅛	1⅛	2⅝
	112	0⅛	1¼	1¾	1⅞	2⅜	3⅝
Tr. 11¾% 03/07 (*£121)	120	2¼	4⅛	6	0⅝	2⅛	3⅛
	122	0¾	3⅛	5	1	3¼	4⅞
	124	0⅛	2⅝	4	2⅛	4⅛	5⅞
	126	0⅛	2⅛	3¼	4⅛	5⅛	7
	128	0⅛	1⅛	2⅝	6⅛	7⅛	8⅛

Option		Calls June	Calls Sep.	Calls Dec.	Puts June	Puts Sep.	Puts Dec.
Beecham (*365)	330	45	62	65	7	12	20
	360	28	47	55	20	30	36
	390	11	38	40	38	50	58
	420	5	20	30	60	70	77
Boots (*255)	220	40	47	—	3	6	—
	240	23	34	40	10	14	38
	260	13	22	31	21	25	30
	280	6	13	21	35	38	41
BTR (*306)	240	70	82	—	1	2	—
	260	52	65	—	2	6	—
	280	35	50	—	5	9	—
Bass (*762)	750	40	67	100	15	43	50
	800	20	40	68	50	73	85
	850	5	17	43	95	110	125
Blue Circle (*665)	600	73	100	118	4	12	16
	650	32	62	78	18	28	38
	700	12	35	5	45	30	53
De Beers (*$6.90)	700	40	80	95	37	57	70
	750	22	55	70	70	90	100
	800	12	38	45	110	115	125
GKN (*329)	300	35	46	55	6	11	15
	330	13	26	36	13	19	25
	360	3	13	22	33	37	40
	390	1½	4	12	65	64	68
Glaxo (*970)	850	145	180	—	10	17	—
	900	103	145	160	25	40	55
	950	60	115	130	55	65	70
	1000	40	95	210	65	95	100
Hanson (*169)	150	22	30	—	2	3½	—
	160	—	24	30	—	7	10
	165	11	—	—	5	—	—
	180	5	16	21	16	18	19
	200	2	6½	12	32	32	34
Jaguar (*473)	390	80	90	—	2	6	—
	420	58	72	90	3	13	17
	460	33	48	70	17	20	33
	500	12	35	52	30	47	52
Thorn EMI (*454)	420	55	72	87	6	13	20
	460	20	40	57	22	30	37
	500	6	20	35	52	57	62
	550	2	6	20	97	100	102
Tesco (*363)	300	70	80	—	0¼	6	—
	330	43	57	60	5	13	17
	360	20	30	45	13	22	27
	390	7	9	22	32	40	45

Option		Calls May	Calls June	Calls July	Calls Aug.	Puts May	Puts June	Puts July	Puts Aug.
FT-SE Index (*1585)	1550	47	67	90	105	13	25	37	50
	1575	24	55	70	90	20	38	57	65
	1600	13	45	60	75	32	30	70	80
	1625	7	33	48	60	33	67	85	95
	1650	1½	32	40	50	70	85	100	105
	1675	1	13	24	35	95	100	115	125
	1700	1	2	13	—	120	123	135	—
	1750	1	3	6	—	186	173	183	—

May 20, Total contracts 13,926. Calls 9,799. Puts 4,127

*Underlying security price.

WORLD STOCK MARKETS

AUSTRIA

May 20	Price Sch.	+ or −
Credit'nst'lt pp.	2,550	−50
Goesser	5,450	+30
Interunfall	14,400	−100
Jungbunzlauer	10,500	+500
Laenderbank	2,260	+25
Perlmooser	718	−7
Steyr Daimler	180	−5
Veitscher Mag	11,100	+100

BELGIUM/LUXEMBOURG

May 20	Price Frs.	+ or −
B.B.L.	3,050	−50
Banq. Gen. Lux	16,650	...
Banq. Int.A.Lux.	16,800	...
Bekaert	13,200	...
Ciment CBR	4,005	−135
Cockerill	158	+2
Delhaize	11,075	...
EBES	4,580	+80
Electrobel	14,750	...
Fabrique Nat.	2,565	−20
GB Inno BM	7,300	+50
GBL (Brux)	3,500	+30
Generale Bank	8,410	−80
Gevaert	6,380	+60
Hoboken	7,500	−90
Intercom	4,010	+95
Kredietbank	15,500	...
Pan Hldgs	11,250	...
Petrofina	8,040	+120
Royale Belge	25,000	...
Soc. Gen. Belge	3,245	+40
Sofina	10,475	+80
Solvay	9,490	+40
Stanwick Intl	460	...
Tractionel	5,600	+10
UCB	7,170	−10
Wagons Lits	6,090	+70

DENMARK

May 20	Price Knr %	+ or −
Andelsbanken	551	−1
Baltica Skand	625	+5
Cop Handelsb'nk	274	−0
D. Sukkerfab	380	+10
Danske Bank	324	...
De Danske Luft	1,810	+20
East Asiatic	252	−5
Foranede Brygg.	1,110	−20
Forenede Damp.	217	−2
GNT Hld	580	+5
I.S.S.B.	770	+10
Jyske Bank	585	−10
Novo Inds*	285	+3
Privatbanken	264	−1
Provinsbanken	325	−8
Smidth (F.L.) B	291	−1
Sophus Berend	020	+20
Superfos	250	−10

FRANCE

May 20	Price Frs.	+ or −
Emprunt 4½% 1973	1,482	...
Emprunt 7% 1973	7,630	−10
Accor	465.1	−19.9
Air Liquide	819	−14
BIC	876	+5
Bongrain	1,980	+10
Bouygues	1,241	−24
BSN Gervais	3,860	−30
CIT Alcatel	2,238	−62
Carrefour	3,830	−8
Club Mediter'n	531	−25
Cie Bancaire	1,520	−10
Cofimeg	461	−5
Damart	2,010	+8
Darty	3,445	+85
Dumez S.A.	1,482	+32
Eaux (Cie Gen)	1,555	−30
Elf Aquitane	332	−6
Essilor	2,765	−65
Gen.Occidentale	1,000	−10
Imetal	87.1	−2.9
Lafarge Coppee	1,510	−85
L'Oreal	3,495	−65
Legrand	3,955	−85
Maisons Phenix	279.5	−11.5
Matra S.A.	2,512	−86
Michelin B	3,010	−25
Midi (Cie)	5,480	−20
Moet Hennessy	2,440	−30
Moulinex	90.05	−2.75
Nord Est	221	−4
Pernod Ricard	1,160	−50
Hertier	730	+5
Petroles Fra	406.5	−3.5
Peugeot S.A.	1,045	−45
Printemps (Au)	695	−8
Radiotech	992	−3
Redoute	2,848	+60
Roussel-Uclaf	1,700	−99
Sefimeg	549	−16
Skis Rossignol	1,382	−43
Telemec Elect	3,680	−80
Thomson (CSF)	1,331	−54
Valeo	560	−27

GERMANY

May 20	Price Dm.	+ or −
AEG	301	−37
Allianz Vers	2,402	−25
BASF	289	−3.3
Bayer	292	...
Bayer-Hypo	567	−17
Bayer-Verein	548	...
BHF-Bank	505	−5
BMW	555	−6.5
Brown Boveri	317	+1.5
Commerzbank	308	−4
Cont'l. Gummi	241	−3.5
Daimler-Benz	1,290	−25
Degussa	440	−1
D'sche Babcock	290	+1
Deutsche Bank	788	−25
Dresdner Bank	450.5	−27.5
Feld-Muehle Nbl	310.8	...
GHH	225	−2
Henkel	400	−8.1
Hochtief	948	...
Hoechst	259.7xr	−25
Hoesch Werke	175.8	−36
Holzmann (P)	580	
Horten	125	−6
Husel	480.2	...
Karstadt	308	−8
Kaufhof	416	−9
KHD	256	...
Kloeckner	90.8	−0.7
Linde	685	+3
Lufthansa	218	−0
MAN	185	−1.25
Mannesmann	212	+0.8
Mercedes Hld	1,145	−15
Metallgesell	330	−4
Muench Rueck	3,050	+50
Nixdorf	670	−10
Porsche	1,042	+0
Preussag	203.5	+0.5
RheinWest Elect	217	−7
Rosenthal	348	...
Schering	550	+7
Siemens	597.5	−11.5
Thyssen	150	−2.2
Varta	328	−0
Veba	265.8	−15.8
V.E.W.	162	−8
Verein-West	513	...
Volkswagen	532	−1.66

ITALY

May 19	Price Lira	+ or −
Banco Com'le	34,400	+1200
Bastogi-IRBS	820	+74
Centrale	4,070	+350
C.I.R.	14,900	+600
Credito Italiano	4,890	...
Fiat	16,130	...
Generali Assicur	161,750	+11200
Italcementi	77,600	−2250
La Rinascente	1,340	...
Montedison	3,910	−570
Olivetti	12,600	...
Pirelli Co	8,880	+140
Pirelli Spa	6,820	+140
Saipem	6,000	−55
Snia BPD	7,550	−550
Toro Assic	64,000	+150

NETHERLAND

May 20	Price Fls	+ or −
ACF Holding	283.0	...
AEGON	100.7	+1
Ahold	78.0	+0.7
AKZO	165.5	+8.2
ABN	549	+2
AMEV	76.2	−0.5
AMRO	96	−0.2
Bredero Cert	205	+3
Bos Kalis Westm	12.7	−0.3
Buehrmann Tet	187.5	+5.5
Calland Hlgs	12.5	+0.5
Dordtsche Pet'm	179.8	+3
Elsevier-NDU	186.5	+5
Fokker	87.3	+0.5
Gist Brocades	261	+3.5
Heineken	149.7xc	−0.3
Hoogovens	108.5	+2.3
Hunter Doug NV	58.5	−1.5
Int. Mueller	70.5	−2.5
KLM	50.5	+2.1
KNP	137.5	+0.5
Naarden	60.3	+0.3
Nat Ned Cert	80.3	+1.2
Ned Mid Bank	188	+0.2
Nedlloyd	170.3	+3.3
Oce Grinten	481.5	+4.5
Ommeren (Van)	31.8	+0.8
Pakhoed	62	+2
Philips	83.7	−0.1
Robeco	89.8	−0.1
Rodamco	139.4	+0.8
Rolinco	82.9	+0.4
Rorento	50.2	...
Royal Dutch	189	+3.8
Unilever	428.8	+8.8
VMF Stork	283	...
VNU	312	+20
Wessanen	260.5	+1.5
West Utr Bank	50	...

NORWAY

May 20	Price Kroner	+ or −
Bergens Bank	150	...
Borregaard	327.5	...
Christiania Bank	158	+3
DenNorske Cred.	148	...
Elkem	109.5	−1.5
Kosmos	138.5	−1.5
Kvaerner	124	−2
Norcem	81.5	−4.5
Norsk Data	221.0xc	+1
Norsk Hydro	142	+2
Storebrand	202.5	...

SPAIN

May 20	Price Pta %	+ or −
Bco Bilbao	845	−13
Bco Central	657	−10
Bco Exterior	410	−20
Bco Hispano	390	−20
Bco Popular	905	−50
Bco Santander	685	−0
Bco Vizcaya	1,510	−30
Dragados	337.5	−10.7
Hidrola	121.7	−10.5
Iberduero	173	−14.7
Petroleos	583	−18.2
Telefonica	202.0	

SWEDEN

May 20	Price Kronor	+ or −
AGA	305	...
Alfa-Laval B	367	...
ASEA (Free)	830xc	...
Astra (Free)	575	+5
Atlas Copco	232	+2
Cardo (Free)	303	...
Cellulosa	228	+4
Electrolux B	301	+1
Ericsson B	268	−8
Esselte	548	...
Mo och Domsjo	270	...
Pharmacia	222	−5
Saab Scania Free	580	...
Sandvik	865	...
Skandia	483	+3
SKF	341	−1
Sonnesson	185	...
Stora Kopparbrg	307	−8
Swedish Match	340	−7
Volvo B (Free)	411	−4

SWITZERLAND

May 20	Price Frs.	+ or −
Adia Intl	6,350	−25
Alusuisse	695	−18
Bank Leu	3,825	+105
Brown Boveri	1,880	+10
Ciba Geigy	3,300	−150
do. (Part Certs)	2,470	−40
Credit Suisse	3,760	+10
Elektrowatt	3,560	+10
Fischer (Geo.)	1,545	−15
Hoff-Roche PtCts	113,250	...
Hoff-Roche 1/10	10,825	−50
Jacobs Suchard	7,700	−75
Jelmoli	3,150	...
Landis & Gyr	1,900	−50
Nestle	7,975	−25
Oer-Buehrle	1,900	−30
Pirelli	463	−3
Sandoz (Br)	12,300	−300
Sandoz (Pt Cts)	1,820	+10
Schindler (PtCts)	840	−40
Sika	1,875	...
Surveillance A	6,975	−50
Swissair	1,720	−35
Swiss Bank	563	−5
Swiss Reinsce	12,400	+600
Swiss Volksbk	2,590	−40
Union Bank	5,610	−40
Winterthur	5,390	+50
Zurich Ins	8,075	−75

AUSTRALIA

May 20	Price Aust $.	+ or −
ACI Intl	3.76	−0.01
Adelaide Steams	13.0	+0.2
Amcor	3.25	−0.20
ANZ Group	8.42	−0.48
Ampol Pet	2.4	...
Ashton	1.60	−0.07
Aust. Guarantee	3.30	...
Aust. Nat. Inds	3.18	−0.15
Bell Group	8.60	...
Bell Res	4.28	−0.15
Bond Corp Hldgs	3.20xr	+0.05
Boral	4.35	−0.14
Bougainville	2.48	...
Brambles Inds	6.52	−0.18
Bridge Oil	1.02	+0.15
B. H. Prop	8.30	+0.02
Burns Philp	6.60	−0.20
CRA	5.76	−0.44
CSR	3.15	−0.09
Chase Corp	6.00	...
Claremont Pet	0.80	...
Coles-Myer	5.78	−0.34
Comalco "A"	2.10	...
Consolidated Pet	0.16	...
Costain Aust	2.36	−0.10
Elders IXL	4.40	−0.05
Energ Res	1.55	...

AUSTRALIA (continued)

May 20	Price Aust.$	+ or −
Gen. Prop. Trust	2.60	−0.05
Hardie (James)	5.25	−0.05
Hartogen Energy	1.90	−0.05
HeraldW'y Times	6.0	−0.3
ICI Aust	2.65	+0.05
Jimberlana F.P.	0.20	...
Kia Ora Gold	0.14	−0.01
Kidston Gold	5.60	−0.08
Lend Lease	8.94	−0.18
MIM	2.08	−0.07
Mayne Nickless	5.30	−0.05
Nat. Aust.Bank	5.68	−0.12
News	22.0	−1.0
Nicholas Kiwi	3.40	−0.15
Noranda P. (Pipd)	0.78	...
North Bkn Hill	1.65	−0.05
Oakbridge	0.51	−0.04
Pacific Dunlop	3.35	−0.01
Pancontinental	1.00	−0.05
Pioneer Conc	0.66	−0.08
Poseidon	2.50	−0.15
Queensland Coal	1.40	−0.05
Reckitt &Colman	4.60	+0.05
Repco	0.35	...
Santos	5.52	−0.05
Smith (Howard)	4.20	...
Thos. Natwide	3.38	−0.07
Tooth	5.7	...
Vamgas	2.05	−0.05
Western Mining	5.10	−0.15
Westpac Bank	5.02	−0.20
Woodside Petrol	0.95	...
Woolworths	3.50	−0.18
Wormald Intl	89.50	+0.80

HONG KONG

May 20	Price H.K.$	+ or −
Bank East Asia	10.5	+0.2
Cathay Pacific	8.15	...
Cheung Kong	20.4	+0.2
China Light	16.0	...
Evergo	16.0	...
Hang Seng Bank	36.75	+0.50
Henderson Land	0.05	+0.50
HK China Gas	14.5	+0.2
HK Electric	8.85	+0.05
HK Kowloon Wh.	7.15	+0.20
HK Land	6.20	+0.15
HK Shanghai Bk	5.90	...
HK Telephone	11.10	+0.10
Hutchison Wpa	20.0	+0.1
Jardine Math	12.8	+0.2
New World Dev	6.0	+0.1
SHK Props	12.2	−0.2
Shell Elect	0.05	...
Swire Pac A	12.5	...
TV—B	6.46	...
Winsor Inds	0.04	...
World Int Hldgs	2.42	−0.02

JAPAN

May 20	Price Yen	+ or −
Ajinomoto	1,830	+50
All Nippon Air	015	+22
Alps Electric	1,070	+10
Asahi Chem	826	+5
Asahi Glass	1,180	−40
Bank Tokyo	791	+1
Bridgestone	575	+5
Brother Inds	514	+4
Canon	1,020	−20
Casio Comp	1,870	−30
Chugai Pharm	1,240	+10
Daiei	1,470	−10
Dai-Ichi Kan. B	1,480	−10
Dai Nippon Ink	431	−9
Dai Nippon Ptg	1,800	−10
Daiwa House	1,520	−20
Daiwa Sec	1,380	−10
Eisai	1,800	+10
Fanuc	6,910	...
Fuji Bank	1,480	...
Fuji Film	2,240	−10
Fujisawa	1,530	−20
Fujitsu	992	−12
Furukawa Elect	395	−2
Green Cross	2,540	+80
Heiwa Real Est	012	−8
Hitachi	879	−14
Hitachi Credit	1,400	...
Honda	1,180	+80
Indl. Bk. Japan	1,440	−20
Ishikawajima Hr.	191	−5
Isuzu Motors	350	+13
Itoh (C)	436	+8
Ito-Yokado	3,900	+20
JAL	9,350	−350
Jusco	1,440	...
Kajima	739	−2
Kao Soap	1,390	−10
Kawasaki Steel	156	...
Kirin	1,210	+90
Kobe Steel	170	...
Komatsu	479	+4
Konishiroku	700	...
Kubota	349	−4
Kumagai	800	−8
Kyocera	4,550	−20
Marubeni	331	+1
Marui	2,300	...
Mazda Motors	366	−1
Meiji Seika	739	+19
MEI	1,470	−10
M'bishi Bank	1,440	...
M'bishi Chem	661	−2
M'bishi Corp	690	−5
M'bishi Elect	345	−4
M'bishi Estate	1,750	+10

JAPAN (continued)

May 20	Price Yen	+ or −
MHI	368	...
Mitsui Bank	1,020	...
Mitsui Co.	452	−1
Mitsui Estate	1,490	−50
Mitsui Toatsu	248	−9
Mitsukoshi	945	−15
NGK Insulators	1,030	+10
Nikko Sec	951	+1
Nippon Denso	1,380	−40
Nippon Elect.	1,490	−50
Nippon Express	753	+1
Nippon Gakki	1,650	+20
Nippon Kogaku	1,080	−10
Nippon Kokan	135	...
Nippon Oil	1,100	+50
Nippon Seiko	850	−11
Nippon Shimpan	1,070	−10
Nippon Steel	151	−1
Nippon Suisan	398	+2
Nippon Yusen	381	...
Nissan Motor	548	...
Nisshin Flour	552	−1
Nomura	1,800	+50
Olympus	1,330	+10
Onoda Cement	420	−8
Orient Finance	1,090	−00
Orient Leasing	3,490	−10
Pioneer	2,430	−40
Ricoh	903	−7
Sankyo	1,540	−20
Sanwa Bank	1,250	+10
Sanyo Elect	430	−3
Sapporo	958	+15
Sekisui Prefab	1,120	...
Seven Eleven	7,300	−50
Sharp	078	−12
Shimizu Constn	546	−4
Shionogi	1,050	−40
Shiseido	1,850	−10
Showa Denko	300	−8
Sony	3,520	−30
Sumitomo Bank	1,790	−10
S'tomo Chem.	521	−1
S'tomo Corp.	750	...
S'tomo Elect	1,110	...
S'tomo Metal	139	...
Taisei Corp	469	−5
Taisho Marine	890	−1
Taiyo Kobe Bk.	890	+8
Takeda	1,420	−10
TDK	4,040	+10
Teijin	497	+1
Toa Nenryo	1,700	−20
Tokai Bk	960	−7
Tokio Marine	1,140	...
Tohyo Elect. Pwr	3,650	−20
Tokyo Gas	370	−1
Tokyu Corp	809	+4
Toppan Print	1,570	−30
Toray	835	...
Toshiba Elect	412	−2
Toyo Seikan	0,200	...
Toyota Motor	1,470	−20
UBE Inds	251	−5
Victor	5,140	−20
Yamaha	735	+5
Yamaichi Sec	969	...
Yamanouchi	3,250	...
Yamazaki	1,350	+30
Yasuda Fire	584	−2

SINGAPORE

May 20	Price $	+ or −
Boustead Hldgs	0.87	...
Cold Storage	2.69	...
DBS	5.1	−0.1
Genting	3.64	+0.02
Haw Par. Bros	2.04	+0.02
Hong Leong Fin	1.98	−0.03
Inchcape Bhd	1.2	−0.06
Keppel Shipyard	1.02	−0.01
Malay Banking	2.86	−0.05
Malay Utd. Ind	1.12	−0.01
Multi Purpose	0.34	+0.01
OCBC	5.28	...
OUB	2.45	−0.05
Public Bank	0.2	−0.01
Sime Darby	1.18	−0.04
Singapore Air	5.08	+0.05
Singapore Press	8.15	−0.1
Straits Trading	2.04	+0.01
Tat Lee Bk	2.06	−0.05
UOB	3.12	+0.06

SOUTH AFRICA

May 20	Price Rand	+ or −
Abercom	2.12	+0.07
AE & CI	11.5	−0.25
Allied Tech	58	...
Anglo Am. Coal	44.8	+0.25
Anglo Am. Corp	45.8	+0.8
Anglo Am. Gold	289	+1.5
Barclays Bank	20.25	...
Barlow Rand	17	+0.1
Buffels	71.5	+0.5
CNA Gallo	2.4	...
Currie Finance	4.0	...
De Beers	2.51	+0.45
Driefontein	80.75	+0.25
FS Cons	30.5	+0.75
Gold Fields S.A.	35	+0.5
Highveld Steel	7.1	...
Malcor	9.8	...
Nedbank	5.2	+0.05
OK Bazaars	14.5	+0.25
Rembrandt	57.85	−0.25
Rust Plat	33	+0.25
Safren	15.5	...
Sage Hldgs	10.75	+0.25
S. A. Brews	2.2	−0.1
Smith (C.G.)	28.5	...
Tongaat Huletts	7.65	...

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all. * Price in Schillings.

CANADA

TORONTO
Prices at 2.30pm
May 20

Sales	Stock	High	Low	Close	Chng
11113	AMCA Intl	$18⅝	18¼	18¼	−¼
2000	Abertord	$5⅝	5⅝	5⅝	
2630	Abitibi Pr	$24¾	24⅝	24¾	
4610	Agnico E	$21½	21¼	21⅛	−⅛
18810	Albrta En	$13½	13⅛	13⅜	+¼
6375	Albrta N	$13¼	13	13	−⅛
28754	Alcan	$40¼	40	40¼	+⅛
1600	Algoma St	$16⅝	16¼	16¼	−⅜
4300	Asamera	$9¼	9⅛	9⅛	−¼
48400	Atco I f	$8⅝	8	8⅛	−¼
12609	BC Sugar A	$22⅛	21½	21½	−⅝
15636	BP Canada	$30½	30	30	
500	Banister C	$9¼	9¼	9¼	−¼
19994	Bk BCol	350	335	340	−5
22525	Bk Montl	$32⅛	32⅜	32¾	−⅛
233015	Bk NScot	$14⅝	14¼	14⅜	
88817	Bell Can	$39½	39¼	39½	
20300	Bluesky	270	266	270	+5
13700	Bonanza R	185	180	185	
21110	Bow Valy	$12⅛	11⅞	12	+⅜
32800	Bramalea	$21	21	21	
47772	Brascan A	$24⅛	23¾	24	
10400	Brkwater	$6	5¾	5¾	−⅜
14563	BC ForP	$13	12¼	12⅝	−½
10975	BC Res	149	142	144	−1
4803	BC Phone	$27⅛	27⅛	27⅛	−⅛
1420	Brunswk	$13	12¾	12¾	
9890	CAE	$23	22¼	22¼	−½
7000	CCL B f	$18⅛	18⅛	18⅛	
20	CIL	$31⅛	31⅛	31⅛	
2800	Cad Frv	$19½	19⅜	19½	
2100	Cambridg	$23½	23½	23½	
6400	Camp RLk	$20¼	20	20⅛	
600	Camp Soup	$30	29⅞	30	
300	Campeau f	$28⅝	28½	28½	−⅛
59392	CCom A4 p	$16⅛	15⅞	16⅛	
2120	CDC 1	$7¾	7¾	7¾	
5160	Can Malt	$21½	21	21	−¼
3160	C Nor West	$16½	16	16	
5815	C Packrs	$40	39¾	39¾	−¼
5000	CS Pole 1	470	450	470	+20
30	Can Trust	$53¼	53⅛	53⅛	
40	CG Man Y	$31⅛	31⅛	31⅛	
52124	CI Bk Com	$19⅝	19¼	19¼	−⅛
11720	C Marconi	$25	24⅞	25	−⅛
2500	C Occdntal	$19½	19¼	19½	
100601	CP Ltd	$16⅞	16⅝	16⅝	
101517	CTire A f	$15½	15¼	15¼	−⅜
1500	CUtil A f	$19⅞	19⅛	19⅛	−¼
6650	Cantor	$13⅝	13⅝	13⅝	−¼
1500	Canron A	$18½	18⅝	18⅝	−½
833	Cara	$30⅛	30½	30½	−⅛
800	Cara A f	$30½	30½	30½	−¼
186725	Carl OK	$15	14⅞	15	−⅛
173545	Carma A	30	27	27	−3
1954	Celanese	$17⅝	17⅝	17⅝	
9750	CentFd A	$6	5⅞	6	
3650	Centrl Tr	$20¼	19¾	19¾	−½
1000	Cheftan	$9	9	9	+¼
212650	Cominco	$12⅛	12½	12⅝	+⅛
20600	Computng	$6¼	6⅛	6⅛	−¼
4859	Comput In	355	350	350	
24270	Con Bath A	$25½	25¼	25⅛	
9700	CDistb B f	$8	7⅞	7⅞	
4520	Cons Gas	$26⅛	26⅛	26⅛	−⅜
344	Con Glass	$25	25	25	
3400	CTL Bank	$9¾	9⅝	9⅝	−⅜
4149	Corby	$22	21⅞	22	+¼
1621	C Falcon C	$19	18	19	
5400	Coseka R	140	135	135	−5
24700	Costain Ltd	$15⅞	15¾	15¾	+⅛
1503	Crownx	$32¼	31⅛	32⅛	
5242	Crownx A f	$29½	29¼	29¼	−¼
7000	Czar Res	145	140	140	
18508	Denison A p	$7⅞	7⅜	7¾	−⅛
7214	Denison B f	$7⅝	7⅞	7½	−⅛
200	Develcon	350	350	350	
6230	Dicknsn A f	$6⅞	6½	6⅝	+⅛
80	Dicknsn B	$7	7	7	
6360	Dofasco	$29⅝	29	29¼	−⅜
2382	Dome Cda	$5	490	490	+10
6720	Dome Mine	$8¾	8½	8⅝	−⅛
163078	Dome Pete	170	166	169	+2
5600	D Textle	$22¾	22	22¾	+¾
8600	Domtar	$29⅝	29¼	29⅝	+⅛
200	Donohue	$26⅛	25⅞	26⅛	−⅛
1300	Du Pont A	$33⅞	33½	33¾	+½
6292	Dylex A	$14⅛	14¾	14⅞	+⅛
100	E-L Fin	$59½	59½	58½	+½
14810	Echo Bay	$18¾	18⅜	18⅝	−½
2200	Equity Svr	435	435	435	
4300	FCA Intl	$18	17¾	17⅞	+¼
8805	Ficnbrdg	$20¾	20½	20⅝	−¼
24050	Fed Ind A	$10⅛	10	10	−¼
2360	FCity Fin	$13¼	13	13	−½
754	Ford Cnda	$149	148	148	−3
19000	Gaz Metr	$12⅛	12	12⅛	+⅛
200	Geac Comp	$5½	5½	5½	+¼
11710	Gendis A	$23⅜	23⅛	23⅜	+⅛
500	Genstar L	$57⅛	57¾	57⅛	+⅛
300	Giant Yk	$16½	16½	16½	−⅛
5200	Gibrltar	$9⅞	9⅝	9¾	+⅛
14000	Goldcorp f	$6⅝	6⅜	6½	−¼
1000	Grafton A f	$19¼	18⅛	18¼	
500	GL Forest	$24½	24½	24½	−¼
500	Gt Pacific	$41	41	41	−1
4600	Grevhnd	$31⅜	30½	30½	−⅛
19300	GuarPA f	$12½	12⅜	12⅜	−⅛
1797	Gulf Can	$15⅝	15⅜	15⅝	+¼
6100	Hawker	$29½	29½	29½	−¼
2275	Hayes D	$15⅝	15⅛	15⅛	−¼
11150	Hees Intl	$34⅜	33¾	34¼	−1
2500	Heritag A f	$25½	25½	25½	−¼
1971	H BayMn s	$7⅝	7½	7½	
10594	H Bay Co	$30½	30½	30½	
48940	Husky Oil	$8⅛	8⅛	8¼	+¼
7576	Imasco	$35⅜	35	35⅛	−⅛
23590	Imp Oil A	$43⅝	42⅞	43⅜	+¼
29712	Inco	$17⅞	17⅝	17¾	−⅛
1755	Indal	$31⅜	31¼	31⅜	−⅛
1400	Inland Gas	$11¾	11⅝	11¾	
1300	Innopac	$18¼	18⅛	18¼	
11322	Inter City	$15½	15⅜	15⅜	
2700	Intl Thom	$10⅝	10½	10⅝	+⅛
7312	Intpr Pipe	$44⅛	43⅞	43⅞	−¾
15086	Ipsco	$10⅛	10⅛	10⅛	
4400	Ivaco A f	$25	24⅞	25	+⅛
8565	Jannock	$28½	28⅛	28⅛	−⅛
300	Kerr Add	$15½	15½	15½	−⅜
5355	Labatt	$45¾	45	45	−¼
12909	LL Lac	$21½	20¼	20⅝	−1
22500	Lacana	$7¾	7½	7⅝	−¼
1875	Laidlaw A	$19⅜	19¼	19⅜	+⅛
6900	Laidlw B f	$19	18¾	18¾	−¼
62700	Leigh Inst	$5½	5¼	5⅜	
21501	Loblaw Co	$13⅜	12⅞	13	−⅛
4450	Lumonics	$15¾	15¼	15¾	+¼
11430	MICC	$6¼	6⅛	6⅛	−⅛
39980	Mclan H X	$18¼	18½	18⅝	−⅛
15150	Mcln HY f	$17⅝	17⅜	17⅜	−½
58859	Macmillan	$36	35¼	35¼	−1
53074	Magna A f	$30¼	30	30	−¼
2637	Maritime f	$15¾	15½	15¾	+⅛
43832	Mass Fer	360	345	355	+5
709	Mc Intyre	$45⅛	45½	45½	
926	Merland E	195	195	195	+7
1300	Nmrl Res	266	260	260	
42795	Nitel Corp	$6¼	5¾	5⅞	−⅛
18300	Moffat	$14½	14¼	14½	
5951	Molson A f	$26⅝	26⅜	26⅝	
358	Molson B	$26⅝	26½	26½	−½
5208	Monoco A f	$5	8	5	
1700	MCity Bk	$28	27	27½	+1½
300	M Trusco	$26¼	26	26	
74926	Moore	$33½	32⅝	32⅛	−⅜
1400	Murphy	$20	19¾	20	+½
5486	Nat Bk Can	$28⅝	28½	28½	+⅛
3750	Nt Vg Trco	$27	26¾	27	
8000	Nfl CapA f	$8⅝	8¼	8	+
2933	Nfld LP A	$18¼	16¼	18¼	+⅜
28787	Noranda	$18⅛	17⅞	17⅞	
41661	Norcen	$11½	13⅛	13⅛	−⅜
7156	Norcn ord f	$12⅝	12¼	12¼	−⅛
960	NC Oils	$11¾	11½	11¾	+¼
11203	Nor Tel	$41	40⅝	40⅝	+⅛
7500	Northgat	460	450	480	−10
212388	Nva AltA f	495	485	490	+15
11100	Nowsco W	$11¾	11⅜	11⅝	−¾
41000	Nu West	39	37	39	+2
11000	Numac	$8½	8¼	8½	+⅜
2496	Oakwood	400	400	400	+20
7400	Oakwd A f	230	220	230	+10
1000	Ocelot B f	315	315	315	+15
6655	Omega Hyd	$5⅜	5	5¼	
2295	Oshawa A f	$43¼	43	43	−¼
9610	PacW Airl	$14⅝	14⅜	14¾	
9860	Pourin A f	$16½	16¼	16⅜	
2400	Pamour	$10⅛	10	10⅛	+⅛
515	PanCan P	$26½	26⅛	26⅛	+⅛
150	Pegasus	$7¾	7¼	7¼	−¼
2400	Pembina	$15½	15½	15½	
21700	PJewl A f	$13⅛	13½	13⅛	−¼
2400	Pine Point	$9	8⅞	8⅞	
10150	Placer O	$22⅞	22⅝	22¾	
7100	Poco Pet	$8¼	8	8⅛	+⅛
36702	Powr Cor f	$35½	34½	35½	+1
27700	Precamb	335	320	330	+15
800	Provigo	$19½	19⅜	19⅝	−⅜
600	Que Sturg	480	470	480	
1300	Que Tel	$15⅝	15⅝	15⅝	−⅛
300	Quebecor	$16⅝	16⅜	16⅝	
37093	Ranger	$5½	5⅜	5⅜	
3800	Rayrock f	$6⅜	6⅛	6⅜	
3517	Redpath	$24¾	24½	24½	+½
100	Regionl R	210	210	210	−10
300	Reitman A f	$33	33	33	
990	Rio Algom	$23	23	23	
30	Rogers A	$19¾	19¾	19¾	
23100	Rogers B f	$19⅛	19¾	19¾	
300	Rothman	$38½	38⅛	38½	−½
60615	Royal Bnk	$32¼	31¾	32	
4183	RyTrco A	$33½	33¼	33¼	
74046	Royex	290	285	290	+1
3240	StL CemA f	$38⅜	38	38	−⅛
3200	Sceptre	315	300	315	+5
33280	Scot Paper	$31⅝	31½	31½	
400	Scotts f	$39⅜	39¼	39¼	
14136	Seagram	$77¼	76¾	76⅞	−¼
7546	Sears Can	$14¾	14½	14½	−¼
200	Selkirk A f	$25¼	25¼	25¼	+⅛
5585	Shell Can	$23¾	23⅝	23½	+⅛
4978	Sherritt	$6¾	6½	6½	−⅛
100	Sigma	$8½	8½	8½	−¼
8300	Southm	$25⅝	25½	25½	
6294	Spar Aero f	$28½	28⅛	28⅛	−⅜
1200	Steinbg A f	$45¼	45¼	45¼	+⅜
47362	Stelco A	$26⅞	26⅜	26⅜	−⅛
9700	Sulpetro	57	55	55	
8104	Teck B f	$21¾	21½	21⅝	−⅛
300	Tele Met	$40⅜	40⅜	40⅜	
10800	Terra Min	201	201	201	−4
2000	Texaco Can	$28¾	28⅝	28½	−⅜
2700	Thom N A	$29⅛	28¾	28¾	−⅛
35951	Tor Dm Bk	$24⅞	24½	24⅝	−¼
3218	Tor Sun	$26½	26	26½	
10750	Torstar B f	$32¼	32	32	−⅛
8950	Total Pet	$30⅜	30¼	30⅜	+½
866	Traders A f	$45½	45¼	45¼	−⅜
2500	TrCan R A	130	130	130	+5
50	Trns Mt	$11½	11½	11½	
7743	TrnAlta UA	$28⅞	28½	28⅝	
22896	TrCan PL	$18¼	18⅛	18⅛	−⅛
51460	Trilon A	$34⅜	33⅝	33⅝	−⅛
206	Trimac	225	225	225	
100	Trinity Res	50	50	50	
600	Trizec A f	$39⅞	39⅞	39⅞	−⅛
1200	Ulster P	144	144	144	
420	Un Carbid	$16½	16½	16½	
52937	U Entprise	$12⅝	12⅛	12¼	
127	Un Corp	$48½	48½	48½	+⅜
14400	Verstl A f	330	315	320	−25
2612	Verstl B	340	320	325	−15
500	Vestgron	114	114	114	
13200	Vulcan Ind	$5⅛	5	5⅛	−⅛
81600	Wajax A	$16¾	16¾	16¾	−¼
10414	Walker R	$36½	36½	36½	−⅛
709	Wstburne	$18½	18½	18½	−⅛
8511	Wcoast T	$14½	14¼	14⅜	+⅛
1800	Westmin	$8¼	8	8⅛	−¼
650	Weston	$135½	135	135	
312000	Woodwd A	$8⅞	7¾	7¾	−¼

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Indices

NEW YORK–DOW JONES

	May 20	May 19	May 16	May 15	May 14	May 13	1986 High	1986 Low	Since Compilation High	Since Compilation Low
Industrials	1,768.97*	1,758.18	1,759.8	1,774.88	1,808.28	1,785.34	1855.9 (21/4/86)	1502.29 (22/1/86)	1855.90 (21/4/86)	41.22 (2/7/32)
Transport	779.32*	771.18	771.71	778.50	788.43	782.88	830.84 (31/3/86)	686.97 (9/1/86)	830.84 (31/3/86)	12.32 (8/7/32)
Utilities	181.10*	181.72	181.05	182.34	182.70	181.48	193.73 (31/3/86)	169.47 (22/1/86)	193.73 (31/3/86)	10.5 (28/4/42)
Trading vol		86m	114m	132m	132m	119m	–	–	–	–

	May 9	May 2	April 25	Year Ago (Approx)
Ind Div Yield %	3.63	3.67	3.56	4.81

STANDARD AND POORS

	May 20*	May 19	May 16	May 15	May 14	May 13	1986 High	1986 Low	Since Compilation High	Since Compilation Low
Industrials	262.27*	260.66	260.04	261.91	265.57	264.15	271.68 (21/4)	224.88 (22/1)	271.68 (21/4/86)	3.62 (30/6/32)
Composite	234.57*	233.20	232.76	234.43	237.54	236.41	244.74 (21/4)	203.49 (22/1)	244.74 (21/4/86)	4.40 (1/6/32)

	May 14	May 7	April 30	Year Ago (Approx)
Ind div yield %	3.83	3.85	3.86	3.84
Ind. P/E Ratio	17.38	17.25	16.83	11.37
Long Gov Bond Yield	7.42	7.5	7.54	10.98

N.Y.S.E. ALL COMMON

May 20	May 19	May 16	May 15	1986 High	1986 Low
134.11*	134.58	134.44	135.28	141.27 (21/5/86)	111.75 (22/1)

RISES AND FALLS

	May 16	May 15	May 14
Issues traded	1,989	1,983	1,981
Rises	557	432	765
Falls	997	1,125	770
Unchanged	435	425	446

NYSE-Consolidated 1500 Actives

	Stocks Traded	3.00p.m. Price	Change on Day
Sperry CP	4,281,400	73⅛	−½
Uncal CP	1,562,700	22⅜	+⅛
K mart	1,274,900	50⅞	+⅛
ATT	1,048,200	24⅜	+⅜
Home Depot	1,813,500	15⅞	+2¼
Phil El	928,800	17⅝	−⅛
Pic'n Pay	985,500	17⅝	+1¼
Aetna Life	877,300	58⅞	+⅝
Am Express	855,800	58¼	+⅜
Mobil	855,500	30½	+¼

Advances 838 Declines 663

TORONTO

	May 20	May 19	May 16	May 15	1986 High	1986 Low
Metals & Minls	2,044.1*	closed		2,049.3	2,442.85 (21/3/86)	2,049.1 (13/5/86)
Composite	3,039.7*	closed	3,044.3	3,062.5	3,129.11 (18/4/86)	2,754.0 (17/2)
MONTREAL Portfolio	1,539.18*	closed	1,538.74	1,552.58	1,623.33 (18/4/86)	1,386.6 (22/1)

* Indicates pre-close figure

	May 20	May 19	May 16	May 15	1986 High	1986 Low
AUSTRALIA						
All Ord. (1/1/80)	1176.2	1197.9	1194.8	1194.4	1247.0 (7/5)	1010.8 (2/1)
Metals & Minls. (1/1/80)	461.1	467.4	496.1	495.8	602.6 (24/5)	461.1 (20/5)
AUSTRIA						
Credit BK Aktien (2/1/62)	124.22	(c)	125.62	125.73	150.80 (25/4)	110.12 (6/5)
BELGIAN						
Brussels SE (1/1/80)	(u)	(c)	3650.36	3635.09	3708.16 (24/4)	2765.91 (15/1)
DENMARK						
Copenhagen SE (3/1/83)	225.88	(c)	225.21	251.08	258.78 (10/4)	214.57 (21/1)
FRANCE						
CAC General (31/12/82)	400.5	(c)	408.60	411.5	411.3 (15/5)	287.2 (2/1)
Ind Tendance (31/12/85)	151.6	(c)	155.50	154.2	154.8 (12/5)	101.8 (2/1)
GERMANY						
FAZ Aktien (31/12/58)	641.72	(c)	647.15	665.50	753.88 (17/4)	618.54 (27/2)
Commerzbank (1/12/53)	1942.2	(c)	1960.2	1986.2	2278.9 (17/4)	1865.6 (27/2)
HONG KONG						
Hang Seng Bank (31/7/64)	1777.27	1765.82	1787.88	1794.17	1886.65 (7/5)	1558.94 (10/3)
ITALY						
Banca Comm Ital. (1972)	908.20	905.58	862.05	841.84	908.20 (20/5)	454.67 (24/1)
JAPAN**						
Nikkei (16/5/49)	15690.6	15697.5	15739.86	15924.7	16194.98 (9/5)	12881.5 (21/1)
Tokyo SE New (4/1/68)	1235.55	1237.11	1240.74	1255.45	1280.65 (9/5)	1025.85 (21/1)
NETHERLANDS						
ANP.CBS General (1970)	266.5	(c)	262.8	265.3	275.8 (17/4)	240.4 (3/5)
ANP.CBS Indust (1970)	254.1	(c)	251.6	251.8	259.7 (17/4)	234.8 (3/5)
NORWAY						
Oslo SE (4/1/83)	352.25	(c)	355.88	358.74	402.91 (16/1)	352.25 (20/5)
SINGAPORE						
Straits Times (30/12/66)	590.15	595.87	595.56	598.22	644.09 (8/1)	568.54 (28/4)
SOUTH AFRICA						
JSE Gold (28/9/78)	—	1148.7	1156.2	1146.5	1307.9 (27/1)	1109.1 (21/4)
JSE Indust (28/9/78)	—	1166.1	1169.5	1172.9	1295.1 (20/0)	1069.5 (2/1)
SPAIN						
Madrid SE (30/12/85)	178.89	183.07	188.90	(c)	194.77 (12/5)	100.65 (3/1)
SWEDEN						
Jacobson & P (31/12/56)	2340.64	(c)	2351.65	2325.49	2372.35 (22/4)	1729.57 (23/1)
SWITZERLAND						
Swiss BankCpn (31/12/58)	560.7	(c)	560.19	574.2	626.5 (8/1)	554.7 (20/2)
WORLD						
M.S. Capital Intl. (1/1/70)	—	310.2	311.6	015.9	322.2 (21/4)	248.3 (23/1)

** Saturday May 17: Japan Nikkei 15.674.0 TSE 1,235.74.

Base value of all indices are 100 except Brussels SE—1,000, JSE Gold—255.7, JSE Industrial—264.3, and Australia. All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto Composite and Metals—1,000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ 400 Industrials plus 40 Utilities. 40 Financials and 20 Transports. c Closed. o Unavailable.

LONDON
Chief price changes
(in pence unless otherwise indicated)

RISES

Berisfords	108	+12
Boots	255	+7
BAe	551	+21
Brit & C'wealth	310	+13
BP	578	+18
Clarke (Clement)	235	+45
Courtaulds	271	+8
Dowty	211	+6
Equity & Daw	266	+11
Electronic Rent	60	+4
Fine Art Dev	156	+16
Hogg Robinson	306	+11
Israel (Jack L)	30½	+3½
Marler Estates	385	+40
Miles 33	393	+18
Scusa	148	+12
Sainsbury (J)	386	+8
Standard F'works	155	+13
Tate & Lyle	563	+6
Wardle Storeys	333	+15
Whitbread A	290	+13

FALLS

Amstrad	542	−23
Appledore (A&P)	260	−50
Berisford (S&W)	209	−9
Crean (J.)	345	−25
Elandsrand Gold	305	−33
Hillsdown	273	−7
Kloof Gold	375	−50
Mowlem (J.)	362	−10

OVER-THE-COUNTER
Nasdaq national market, 2.30pm prices

Continued from Page 39

Stock		Sales (Hnds)	High	Low	Last	Chng
Petrite	1.12	26	28	27¾	28	+¼
Phrmct		1069	18½	17½	18	+¼
PSFS	.15e	1662	10	9⅞	10	+⅛
PhilGl	.60e	576	21⅜	21¼	21⅜	−⅛
PhnxAm		1	4½	4½	4½	
PicSav		1346	38⅝	37⅞	38⅛	+¼
PicCafs	.52	169	26½	25½	26½	+1
PionHi	1.64	604	42⅝	42¼	42⅛	+¼
PionSt	.12	18	9¾	9¾	9¾	
PoFolk		12	15¼	15	10	+⅛
PlcyMg		690	21	20¾	20¾	
Porex		107	33⅛	32⅞	32⅞	−⅜
Powell		171	2⅛	1⅞	2⅛	+¼
Powrtc		18	15¾	15¼	15¼	−½
PwConv		1	13⅞	13⅞	13⅞	−⅛
ProCat		118	24⅛	23½	24¼	+¼
PrpdLg		32	16	15½	15½	
Prism		828	6½	6¼	6⅜	
PriceCs		1676	50	48¾	49½	+¾
Pritronx		66	13¼	13⅛	13⅛	
ProdOp	.16	98	4⅛	4⅛	4⅛	
ProgCs	.12	835	62½	61⅛	62½	+⅜
Propt7r	1.20	21	12⅛	12	12	−⅛
PurtBn	.40	291	46½	46⅛	46½	+¼
QMS		367	14	13⅝	14	+¼
Quadrx		2519	13½	12⅞	13½	+⅞
Quantm		393	19¾	19	19½	+½
QuestM		16	5½	5½	5½	
Quixtes		281	12¼	11½	11¾	−½
Quotrn		8587	19⅛	18⅞	18⅞	−⅛
R R						
RAX	.51e	34	9	6⅝	8	+⅛
RPM	.62	329	20½	19¾	20	−⅜
RadSys		242	13⅛	12¾	12⅞	−⅜
RadnT		349	7⅞	7⅜	7⅞	+⅜
Radion		104	10¾	10¼	10½	−¼
Ragen		99	4¾	4½	4½	−⅛
Rainer	1.06	72	37½	37⅛	37⅜	+⅛
Reading		8	24⅝	24¼	24⅝	
Recotn		87	12¾	12⅝	12⅝	
Redknl	.20b	11	24	24	24	
Reeves		157	14	13⅞	13⅞	+⅛
RgcyEl	.20	381	7	6⅞	7	
Regiss	.18	26	15¼	14½	14½	−¾
Reliab		15	7	6⅝	6⅝	−⅜
RpAuto	.16	15	9	9	9	
RpHlth		430	18¼	18⅛	18⅛	
Reuterl	.15e	139	17¾	16⅞	17¾	+1
ReutrH	.34e	100	40⅞	40¾	40⅞	−⅛
ReyRys	.70	x393	31	30¼	31	
Rhodes	.32	283	25⅛	24¾	24⅞	−¼
Ribilm		333	8⅞	8⅜	8¾	+¼
RichEls		2	22¼	22¼	22¼	−¼
RoadSv	1.10	367	38¼	37¾	37¾	
RobNug	.06	287	12	11⅞	12	
RobVsn		302	8⅞	8⅝	8⅞	+¼
Rouses	.60	353	31½	31¼	31½	+¼
RoyPlm	1	131	8⅝	8½	8½	
RustPel		2	8½	9⅛	9⅛	−⅛
RyanFs		266	30¾	30¼	30½	−¼
S S						
SAYInd		18	10	9¾	10	+¼
SCI Sy		119	18¾	18⅜	18½	
SEI		11	24⅛	23¾	24¼	+½
SFE		136	7⅜	7	7	−½
SHLSy		294	17⅛	16¾	16⅞	−⅛
Salecda	.24	823	22⅞	22	22½	−⅜
Safeco	1.70	613	58⅝	56⅞	58⅝	+1½
SafHits		1141	8½	8¼	6⅜	
StJude		233	35¼	35	35¼	+⅛
StPaul	3	685	91½	89¾	91½	+1¾
SalCpt		172	10¼	10	10¼	+¼
SlvnFs	.68a	15	29½	29½	29½	
SBkPSs	.44	956	28⅜	28	28	−⅛
ScanOp		446	13	12¾	12⅞	+⅛
ScanTrs		4	19¼	18	19¼	
Scherer	.32	675	12⅛	11¾	12	−¼
SchlmA	.44	37	37	36¾	36¾	
SciMic		30	6⅛	6⅛	6⅛	−⅛
SciSft		1	4½	4½	4½	−1-16
Scitex		193	7⅛	6⅞	6⅞	−¼
SeaGal		109	4⅝	4⅛	4¼	−⅛
Seagate		3854	13¾	13⅜	13⅜	−¼
SecTag		12	1¾	1¾	1¾	−¼
SEEQ		540	2⅜	2⅛	2¼	+⅛
Seibel	.60	21	20¼	20	20	
Selctins	.80	77	21¾	21¼	21¼	−¼
Semicn		22	7¾	7¾	7¾	
Sensor	.05	264	8¼	8	8	−¼
SvcMer	.08	1275	11⅞	11¼	11⅞	
Svmsts	.88	1109	27½	25½	26¾	+1¼
Servico	1	38	21	20	20	−1
SvcFrct		2	2⅞	2⅞	2⅞	−⅛
SvOaks	.15	128	18⅝	18⅜	18⅝	
ShrMed	.60	1196	37	35	35	−¾
Shwmt	1.84	62	47	46¾	46¾	
Shelbys	.15	81	23⅝	23⅛	23⅜	−¼
Sheldl		64	8	7¾	8	+¼
Shoneys	.15	373	34⅞	34⅜	34⅝	+⅜
ShonSos		89	18⅛	16	16½	+¼
Silicon		854	5⅜	4¾	5¼	+¼
SiliconS		169	17⅛	16½	16½	−¾
SilicVal		267	19⅝	19	19⅝	−⅜
Silicnxs		38	16	15¾	16	+¼
Siltec		385	5	4½	4⅞	+⅜
Simpins	.56	44	17¾	17½	17¾	+⅛
Sippins		3	12½	12½	12½	−½
Sizzlers		87	24¼	23½	24	+¼
Skipper	.08	112	10½	10⅜	10½	
SmithL		430	2⅞	2⅝	2⅝	−⅛
Society	1.92	53	68¼	67½	67¾	+½
SoctySs		1150	25½	24¼	25	+½
Softech		29	10⅞	10⅝	10⅞	
SoftwA		457	19¾	19⅜	19¾	
SonocPs	.80	10	39¼	39	39¼	+¼
SonrFd	.45a	0	11	10½	11	
SoHosp		184	6¼	5⅝	6¼	
SthdFn	.52	109	20½	20	20½	+⅜
Soutrst	.88	343	25⅛	24⅝	24⅞	+⅜
Sovrgn	.10	846	7⅜	7	7	−⅝
Sovrans	1.28	510	41	40¾	41	+¼
Specdy		98	28	27	27¼	−½
Spctran		586	7⅛	6¾	7	−½
SpecCtl	.07	88	10¾	10⅝	10⅝	−⅛
Spire		97	18¼	12½	13	−½
StarSur		011	12¼	12	12¼	+¼
StatBld	.20	118	10¾	10⅝	10⅝	
Standy	1.08	5	41½	41½	41½	
StdMic		377	17¾	17	17	−⅝
Stanhm	1.52	50	43½	43	43½	+½
StaStBs	.64	321	46½	45	46¼	−1
StateG	.05b	418	6½	6	6⅜	
Steiger		176	4½	3⅞	3⅞	−⅜
StewStv		600	15¼	14⅞	15	
Stwinf	.72	35	25	25	25	−¼
Stifel		43	10¼	10⅛	10⅛	
Stratus		1243	23¾	22½	23½	+¾
StrwCl	.84b	37	52½	52	52½	−½
Strykrs		77	32⅛	31¾	32½	+¼
Subaru		1828	35⅛	33½	35½	+1½
Summa		282	4⅞	4 11-16	4⅞	+3-16
SumtHl	.12	743	9⅝	9⅜	9⅜	−⅛
SunCst		2850	3⅜	3	3⅜	+¼
SunMed		5	14½	14½	14½	
SupSky		24	15½	15	15¼	
Suprtex		19	3⅝	3⅝	3⅝	−¼
SymbT		24	14⅛	14	14⅛	−⅛
Syncor		890	8½	8⅛	8½	+⅛
Syntech		78	11½	11¼	11½	−⅛
Syntrex		301	4⅞	4⅝	4¾	+⅛
Syscons	.20	21	14½	14	14½	
SyAsoc		561	10¾	10¼	10½	
Systin		51	6⅞	6¼	6⅛	
Sysintg		52	15	14¾	14¾	
Systmt	.08	91	24¼	24	24¼	+¼
T T						
TCAs	.19	129	18¼	18	18	−¼
TacViv		46	3	2¾	3	+¼
Tandem		2550	32¼	31⅜	31⅜	−⅜
Tandon		10620	7⅝	7½	7⅝	−⅛
TcCom		22	18	18⅛	18½	
Telco		183	6⅜	5¼	6¼	−¼
TlcmA		438	48¼	47⅛	47⅛	−⅜
TelPlus		682	7⅜	7	7	−⅜
Telecrd	.36	70	41⅜	41	41	−½
Telvid		166	3⅝	3⅜	3½	
Telabs		157	14	13⅞	13⅞	−⅛
Telxons		298	20¾	20	20¼	−½
TermDt		4	3	2¾	3	
TherPr		58	4½	4¼	4¼	−⅛
Thrmd		676	23⅝	23	23⅜	+½
ThrdNa	.76	212	34¼	33⅞	34	
Thortec		148	1 9-16	1⅜	1 9-16	+1-16
ThouTr		415	6¼	5⅞	5⅞	−⅜
TotlSys		43	29	25	25⅛	
TrakAu		48	12½	12¼	12¼	−⅛
TriadSy		21	11⅜	11⅜	11⅜	
TrusJo	.48	137	34¼	32⅛	33	−¾
U U						
USLIC	.80	383	27¾	27½	27½	−⅛
UTL		849	21¼	19¾	21¼	+1½
Ultray	.08e	1037	10¼	9¾	10¼	+⅜
Ungmn		158	14	13⅞	13⅞	−⅛
Unifis		151	15	14½	14⅝	−¼
UnPlntr		56	34	33¼	33¾	
UACms	.08	275	34¼	33¾	34	
UBAlsk	1	3	8	7¾	7¾	
UBCol	1.08	44	31¾	31½	31½	−¼
UFnGrp		22	4⅜	4⅜	4⅜	+⅛
UFstFd	.20	242	33	32⅝	33	+¼
UGrdn	1.64t	76	10⅜	9¾	9¾	−⅜
UPresd		523	15	14⅞	14⅞	
US Ant		732	2¾	2 9-16	2¾	+3-16
US Bcp	1	170	39½	39¼	39⅜	+⅛
US Cap		115	5	2⅞	2⅞	−⅛
USDsgn		156	2¼	2⅛	2¼	
US HIC	.12	2239	21	20½	20⅞	+⅜
USShelt	.12	15	3⅝	3⅜	3⅜	
US Sur	.40	227	23¾	23⅜	23¾	−⅜
UStatn	.24	42	21⅛	21¼	21½	
UnTelev		2	26¾	26⅝	26⅝	
UVaBs	1.64	37	63⅜	63¼	63⅜	+⅛
UnvFrn		281	31½	30¼	31½	+¾
UnvHlt		3155	13⅛	12⅝	12⅞	−⅛
UFSBk	.22e	151	15¼	15	15	−¼
Uscal	.26	340	8⅛	8	8	−⅛
V V						
VLI		913	5⅞	5½	5½	−¼
VLSI		542	12½	12	12¼	+¼
VMX		113	4⅝	4½	4⅛	
VSE	.20	1	14¾	14¾	14¾	
ValidLg		596	6⅛	5	5	
ValFSL	t	154	29½	28¾	29⅛	+⅝
ValNtl	1.32	421	42⅜	42⅛	42⅛	−¼
ValLn	.40	4	26½	26	26	
Vantres		176	6	5¼	6	+⅛
Vicorp	.12e	50	19¾	19⅝	18⅝	
VideoFr	.22e	316	6¼	6	6	
Viking		293	17¾	17½	17¾	
Viratek		994	33½	30	32½	+2¼
Vodavi		787	6⅜	6½	6⅜	+¼
Voltlnf		210	18¼	18¼	18¼	
W W						
WD 40	1.04	71	27	26¼	27	+¾
WalbCs	.32	92	25	24¼	24¼	−¼
WlkrTel		43	8⅝	8½	8⅝	
WshE	1.84	53	25¾	25⅜	25⅜	−⅛
WFSLs	.72b	136	32¾	31¼	32¾	+1
WMSB	.20e	700	28⅞	28¼	28⅝	+¼
Webb	.40	409	12¼	11½	11⅝	−⅛
WestFn		225	48¼	47⅞	47¾	−¼
WstFSL		336	23¼	23	23¼	+¼
WMicTc		10	10	10	10	+¼
WtTlAs		955	22¼	20⅝	21⅞	+1½
WmorC	.40	233	22¾	22½	22¾	+¼
WstwCs		304	6⅞	6¾	6⅞	
Wettra	.96	950	36⅝	36	36⅛	−⅛
Wicat		422	5⅜	5⅜	5½	−⅛
Widcom		809	2 3-16	1 11-16	1⅞	+3-16
Willmts	1.00	113	34¾	34¼	34¾	+¼
WillAL		1284	23⅜	22¾	22¾	−⅜
WmsSn		111	23¾	23¼	23¼	+¾
WilsnF		497	8	7¾	7⅞	
Windmr		164	6	5¾	5⅞	
WiserO	.40	88	15	14½	15	+⅛
Woodhd	.60	234	13⅜	13	13⅜	+⅛
Wortngs	.44	105	28½	28¼	28⅜	+⅛
Writer	.15e	18	11	11	11	
Wyman	.80	121	24	23½	23¾	+¼
X Y Z						
Xebec		94	2⅝	2½	2⅝	+1-16
Xicor		183	10½	10	10⅜	+⅛
Xidex		558	19½	19⅜	19⅜	−¼
YlowFs	.54	671	34¼	34	34⅛	
Ziegler	.48a	183	17½	17¼	17½	−¼
ZionUt	1.35	47	60½	60¼	60¼	−½
Zitel		38	4⅞	4¾	4¾	−⅛
Ziyad		118	5¾	5⅛	5½	+⅛
Zondvn		262	21¼	20¾	20¾	−⅜
Zymos		328	2⅝	2⅜	2½	

Prices at 3pm, May 20

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

12 Month High	12 Month Low	Stock	Div	Yld	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
24	11⅛	AAR s	.44	2.0	20	358	21⅞	21½	21⅝	−⅛
30	21¼	ADT	.92	3.2		417	29¼	28⅞	29¼	−¾
38½	11⅛	AFG s			15	1294	24⅛	23⅝	23⅝	−1⅛
25⅝	12¾	AGS			15	56	20	19⅝	20	+⅛
60⅝	37½	AMR			12	4161	56⅞	55	56⅜	−1⅛
25¾	18⅝	AMR pf	2.18	8.6		11	25¼	25	25¼	+¼
27½	23¼	ANR pf	2.67	10.		6	26	25½	25½	
12½	7⅝	APL			8	5	11¼	11¼	11¼	−⅛
16¾	11⅛	ARX	.71t	5.0	13	27	14¼	14	14¼	+¼
51⅜	32¾	ASA	2a	5.9		650	34⅝	33¾	33⅞	−¾
18⅝	10½	AVX		2.3		103	13⅞	13¾	13¾	
32	22⅝	AZP	2.72	8.6	7	1038	27⅞	27⅝	27⅝	−⅜
91⅞	52½	AbtLab	1.68	2.6	21	1234	85½	85	85⅜	+⅛
44⅝	42¼	AbtLb wi				35	43	43	43	
31⅞	19⅝	AccoWd	.50	1.7	21	45	30⅜	30	30⅛	
24¾	10	AcmeC	.40	3.1		56	13	12¾	13	
9¼	7	AcmeE	.32b	3.9	20	12	8⅛	8⅛	8⅛	
20⅛	16⅞	AdaEx	1.90e	9.8		32	20	19¾	19⅞	+⅛
29	15	AdmMl	.40	1.5	12	3	26⅜	26⅜	26⅜	+¼
20⅜	10¼	AdvSys	.83t	5.1	15	116	16⅜	16⅛	16¼	−¼
32⅞	22⅞	AMD				1380	26¾	26⅜	26½	
12⅞	8¼	Adobe n				40	8¼	8⅛	8⅛	
18⅜	14⅝	Adob pf	1.84	11.		34	16⅞	16¾	16⅞	
20¼	15¼	Adob pf	2.40	12.		17	19¾	19⅝	19¾	
19⅝	8⅛	Advest	.12a	.9	13	193	18⅞	18¼	18¾	+¼
66¼	42¾	AetnLf	2.64	4.5	11	8760	58⅝	57⅝	58¼	+½
57½	52⅛	AetL pf	4.97e	9.3		80	53⅝	53¼	53⅝	+⅜
69¼	29	Ahmns	1.38	2.3	7	958	59½	58¼	59½	+1⅛
23	9⅝	Ahmn wi				15	20	19¾	20	+¼
4⅞	2⅛	Aileen			90	57	4⅝	4½	4½	
83⅜	51¼	AirPrd	1.48	2.0	15	187	75	74¾	74⅞	
27¾	16¼	AirbFrt	.60	2.7	18	46	22½	22¼	22¼	
2⅞	⅝	AlMoan	.50e			111	½	15-32	½	
10¼	7⅛	AlaP dpf	.87	8.9		47	9⅞	9¾	9¾	
107	86	AlaP pf	11	11.		z10	104	104	104	−½
26⅜	15¼	AlskAir	.16	.8	12	255	19⅜	18⅛	19	−⅜
25	8	Albrto s	.21	.9	28	25	22½	22¼	22½	+⅛
39	26⅞	Albtsns	.84	2.3	14	112	36½	35⅛	36½	+1⅛
34⅝	22¾	Alcan	.80	2.7		677	29⅜	29	29¼	
46¾	32	AlcoStd	.24	2.9	19	6	42⅜	42¼	42⅜	
38¾	26	AlexAlx	1	2.7		527	37¼	36¾	37	−¼
47½	22⅝	Alexdr			79	175	42½	40⅝	41	+⅛

Continued on Page 39

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NYSE COMPOSITE PRICES

Continued from Page 38

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

AMEX COMPOSITE PRICES

Prices at 3pm, May 20

OVER-THE-COUNTER

Nasdaq national market, 2.30pm prices

Continued on Page 37

FINANCIAL TIMES
WORLD STOCK MARKETS

WALL STREET

Confused response to GNP data

IN THE WAKE of a somewhat confused response to the revised GNP estimates from the Bureau of Economic Analysis, Wall Street stocks moved higher at mid-session yesterday, *writes Terry Byland in New York.*

The lead came from the bond market, where federal issues replaced early half point falls with gains of a similar proportion.

At 3pm, the Dow Jones industrial average was 12.65 up at 1,770.83.

The Dow transportation average also staged a rally from recent weakness. Traders remained undecided about the underlying trend of the stock market. Buying interest was sporadic and the low level of turnover caused some concern.

The upgrading of the GNP estimates to show a 3.7 per cent growth rate in the first quarter was a surprise for Wall Street where analysts expected a downward revision to around 2.5 per cent. But the initial fall in bond prices was quickly recovered when analysts took a closer look at the GNP estimates and decided that they indicated a weak economy.

The rally in bonds, fuelled also by firmness in the dollar and by a downturn in crude oil futures in New York, was slow to reach the stock market. However, a bull factor was a rally in IBM stock, which had approached a significant support range.

At $145½, IBM gained $1⅜ in brisk trading, helped by the announcement of new products. Digital Equipment, number two to Big Blue, rebounded $1⅞ to $87⅞ and Honeywell at $76¼ added $¾.

Sperry recaptured the top place in the NYSE actives list, easing $½ to $73⅛ as its rejection of Burroughs' sweetened offer of $75 a share left the arbitrageurs hopeful for yet higher terms. Neither a friendly white knight nor a new rival bid for Sperry seems likely, but Wall Street believes that Sperry may push Burroughs closer to an offer price of $80 a share. Burroughs eased $¼ to $58.

Despite the revival in oil futures prices this week on the New York Mercantile Exchange, airline stocks turned sharply upwards, with the domestic carriers leading the way on expectations that terrorist fears will keep US tourists at home this summer.

American at $56½ gained $1⅛, and Delta $⅝ to $43¾. But PanAm, unsettled by the sharp fall in transatlantic passenger traffic, shed another $⅛ to $5⅞, a low for the year.

Oils were generally firm, Exxon adding $⅛ to $58¾ although also Atlantic Richfield fell $¼ to $55½.

Retail stocks strengthened behind trading results from major names. May Department stores jumped $2⅞ to $78⅞ on the profits news, while Dayton Hudson added $1⅛ to $55¼ and Allied Stores $¾ to $42¼ on similar Grounds. K mart, still responding to this week's trading statement, gained a further $1⅛ to $51⅛ in heavy trading.

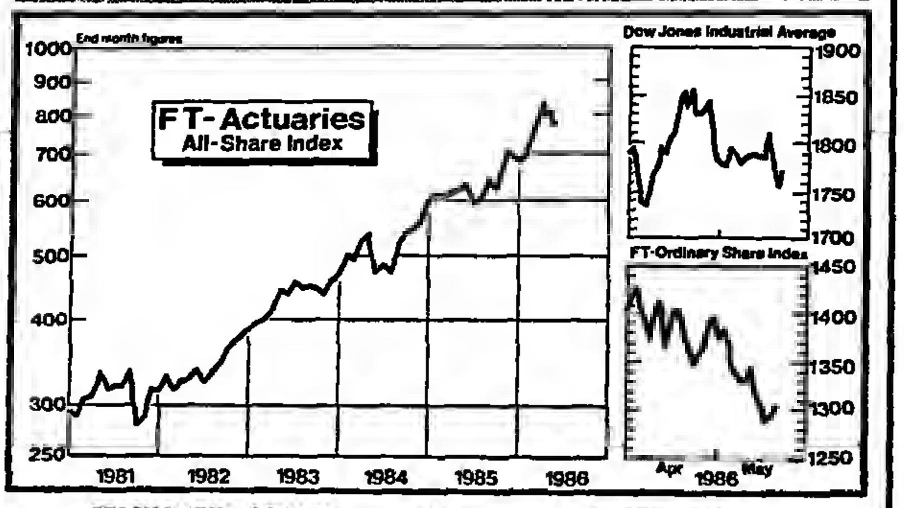
Home Depot jumped $2¾ to $19¾ after disclosing a sharp rise in first-quarter earnings. However, Associated Dry Goods at $45⅝ lost $1¼ after reporting lower profits. Shopwell, the supermarket chain, gained $2⅞ to $33⅞ on the news that it had begun merger discussions.

Some interest was shown in paper industry stocks after Merrill Lynch favourably reviewed Champion International, which gained $⅝ to $25⅛. International Paper, the industry leader, put on $⅜ to $56⅜.

There were sharp gains in some pharmaceuticals despite the recovery in the dollar. Pfizer gained $1½ to $59¾ and Bristol-Myers $⅝ to $76⅜. Chemicals, too, moved ahead, under the lead of Monsanto, $1⅜ higher at $65¼.

In the credit markets, the sharp rise in rates was abruptly halted as analysts took a second look at the GNP estimates. The data disclosed a sharp rise in inventories, which was seen as a sign of weak demand that "bodes ill for the second quarter." Early gains in short-term rates were trimmed, with the Fed helping the process along with two-day system repurchases. Bonds staged a surprising turnround to show gains of half a point in response to the market's finally bearish reading of the economic data.

KEY MARKET MONITORS



STOCK MARKET INDICES

	May 20	Previous	Year ago
NEW YORK			
DJ Industrials	1,770.88*	1,758.18	1,304.68
DJ Transport	780.79*	771.10	626.99
DJ Utilities	181.26*	181.72	164.70
S&P Composite	235.28*	233.20	189.72
LONDON			
FT Ord	1,305.0	1,294.3	1,020.2
FT-SE 100	1,585.8	1,573.1	1,330.8
FT-A All-share	780.41	775.83	641.92
FT-A 500	857.93	851.85	703.90
FT Gold mines	228.6	241.9	481.5
FT-A Long gilt	9.18	9.17	10.73
TOKYO			
Nikkei	15,689.98	15,697.53	12,559.1
Tokyo SE	1,235.60	1,237.11	986.07
AUSTRALIA			
All Ord.	1,176.2	1,197.9	904.5
Metals & Mins.	481.1	497.4	583.8
AUSTRIA			
Credit Aktien	123.22	123.62	94.47
BELGIUM			
Belgian SE	n/a	3,650.36	2,238.51
CANADA			
Toronto			
Metals & Minls	2,044.1*	2,039.5	2,041.0
Composite	3,039.7*	3,044.3	2,723.2
Montreal			
Portfolio	1,539.18*	1,539.74	134.11
DENMARK			
SE	225.08	225.21	189.01
FRANCE			
CAC Gen	405.9	408.6	221.9
Ind. Tendance	151.6	153.5	79.74
WEST GERMANY			
FAZ-Aktien	641.72	647.1	437.06
Commerzbank	1,942.2	1,960.2	1,278.8
HONG KONG			
Hang Seng	1,777.27	1,765.02	1,638.47
ITALY			
Banca Comm.	908.20	905.58	317.40
NETHERLANDS			
ANP-CBS Gen	266.3	262.8	207.8
ANP-CBS Ind	254.1	251.6	170.5
NORWAY			
Oslo SE	332.25	333.88	336.73
SINGAPORE			
Straits Times	590.19	593.87	828.96
SOUTH AFRICA			
JSE Golds	–	1,148.7	1,088.5
JSE Industrials	–	1,166.1	942.5
SPAIN			
Madrid SE	178.09	183.07	81.79
SWEDEN			
J & P	2,340.64	2,331.63	1,417.55
SWITZERLAND			
Swiss Bank Ind	560.74	568.1	432.3
WORLD	May 19	Prev	Year ago
MS Capital Int'l	310.2	315.8	209.7

COMMODITIES

(London)	May 19	Prev
Silver (spot fixing)	317.70p	332.10p
Copper (cash)	£926.50	£935.50
Coffee (May)	£1,912.50	£1,953.50
Oil (Brent blend)	$15.175	$15.45

GOLD (per ounce)

	May 20	Prev
London	$339.25	$341.00
Zürich	$338.90	$343.05
Paris (fixing)	$340.04	$342.15
Luxembourg	$340.50	$342.45
New York (June)	$339.80	$340.70

CURRENCIES

	US DOLLAR		STERLING	
(London)	May 20	Previous	May 20	Previous
$	–	–	1.517	1.518
DM	2.241	2.2255	3.4	3.3775
Yen	168.65	168.25	255.75	255.5
FFr	7.1375	7.09	10.8275	10.7625
SFr	1.869	1.861	2.835	2.825
Guilder	2.523	2.5065	3.8275	3.805
Lira	1,536.0	1,526.5	2,330.0	2,317.25
BFr	45.7	45.45	69.35	69.0
C$	1.3715	1.3765	2.0805	2.097

INTEREST RATES

	May 20	Prev
Euro-currencies (3-month offered rate)		
£	10⁷⁄₁₆	10⁷⁄₁₆
SFr	4⅞	4⅝
DM	4¾	4¹¹⁄₁₆
FFr	7⁹⁄₁₆	7¼
FT London Interbank fixing (offered rate)		
3-month US$	7⁷⁄₁₆	7⅛
6-month US$	7⁹⁄₁₆	7⅛
US Fed Funds	6¹³⁄₁₆*	6⅞
US 3-month CDs	6.85*	6.7
US 3-month T-bills	6.235*	6.19

US BONDS

Treasury

		May 20*		Prev	
		Price	Yield	Price	Yield
6⅝	1988	98²⁹⁄₃₂	7.253	98²⁹⁄₃₂	7.235
7⅝	1993	97⁷⁄₃₂	7.934	96²⁹⁄₃₂	7.96
7⅜	1996	96	7.963	96	7.963
7¼	2018	95⁷⁄₃₂	7.655	95¹⁴⁄₃₂	7.65

Source: Harris Trust Savings Bank

Treasury Index

Maturity (years)	Return index	May 19* Day's change	Yield	Day's change
1–30	148.41	+0.51	7.86	−0.06
1–10	141.76	+0.42	7.71	−0.06
1– 3	134.33	+0.17	7.38	−0.03
3– 5	143.48	+0.58	7.92	−0.10
15–30	172.35	+0.83	8.38	−0.04

Source: Merrill Lynch

Corporate	May 20*		Prev	
	Price	Yield	Price	Yield
AT & T				
3⅞ July 1990	88.71	7.10	89	7.0
SCBT South Central				
10⅞ Jan 1993	105⅜	8.2	105⅜	8.2
Phibro-Sal				
8 April 1996	94.5	8.7	96	8.6
TRW				
8⅜ March 1996	100⅝	8.62	100½	8.66
Arco				
9⅞ March 2016	104	9.46	105	8.37
General Motors				
8⅛ April 2016	90⅝	9.06	91⅞	8.95
Citicorp				
9⅝ March 2016	96⅞	8.69	97⅞	9.8

Source: Salomon Brothers

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
US Treasury Bonds (CBT)				
8% 32nds of 100%				
June	95-03	95-05	93-18	94-28
US Treasury Bills (IMM)				
$1m points of 100%				
June	93.77	93.77	93.69	93.76
Certificates of Deposit (IMM)				
$1m points of 100%				
June	93.19	93.19	93.19	93.19
LONDON				
Three-month Eurodollar				
$1m points of 100%				
June	92.88	92.88	92.82	92.92
20-year Notional Gilt				
£50,000 32nds of 100%				
June	124-27	124-27	123-31	123-29

* Latest available figures

TOKYO

Small-lot selling hits blue chips

BLUE CHIPS and consumer stocks were out of favour and share prices closed slightly lower in Tokyo yesterday, *writes Shigeo Nishiwaki of Jiji Press.*

In lacklustre trading, some oils, biotechnology stocks and issues related to mergers and acquisitions were traded for short-term capital gains.

The Nikkei average dipped 7.55 from the previous day to 15,689.98. Trading remained light at 315m shares compared with Monday's 274m. Declines outpaced advances by 435 to 364, with 166 issues unchanged.

Some biotechnology issues attracted strong buying interest. Kuraray, the second busiest issue with 12.46m shares changing hands, jumped Y60 to Y1,730, bolstered by reports of the company's clinical test on a new anti-cancer agent. Kyowa Hakko leaped Y40 to Y1,630 and Nippon Kayaku Y88 to Y1,070.

Oil issues regained popularity, with Nippon Oil finishing Y60 higher at Y1,190 after gaining Y80 at one stage. Showa Shell Sekiyu spurted Y10 to Y846.

Arabian oil soared Y260 to Y4,360 on investor expectations that the yen's sharp appreciation against the dollar and cheaper crude oil prices would bring about a major improvement in earnings.

Also in the spotlight were issues rumoured to be the target of speculators. Tobishima topped the active list for the second consecutive session with 14.99m shares, advancing Y19 to an all-time high of Y868 during trading. But the issue closed Y24 lower at Y825 due to investor concern about high price levels.

All Nippon Airways (ANA) advanced Y22 to Y915 on rumours of its stock being cornered. Tokyo Tanabe, Toyo Linoleum and Janome Sewing Machine scored daily limit gains, rising Y100, Y105 and Y100 to Y800, Y1,100 and Y2,290 respectively.

Takuma, the fifth most active stock with 7.72m shares, added Y28 to Y683 during the day, surpassing its all-time high of Y681. But it came under selling pressure later to end at Y670, up Y15. Its popularity was apparently fuelled by rumours of takeover plans by a foreign firm.

Buying interest in consumer stocks and blue chips faded, with Hitachi losing Y14 to Y879 and NEC Y30 to Y1,490 on small-lot selling. Tokyo Electric Power dropped Y20 to Y3,650 and Ohbayashi Y5 to Y538.

Bond prices fluctuated in response to moves on the bond futures market.

On the futures market, September contracts fell Y0.58 to Y101.78 at one stage, depressed by an overnight rise in the yield on 30-year US Treasury bonds, but closed Y0.05 higher at Y102.40 on buying by securities houses toward the close.

On the cash market, the yield on the benchmark 6.2 per cent government bond maturing in July 1995 fell to 4.845 per cent, compared with the previous day's 4.860 per cent, after rising to 4.935 per cent. The yield on the 5.1 per cent bond due in March 1996 advanced to 5.230 per cent in early trading, but later declined to 5.150 per cent as against Monday's 5.090 per cent.

HONG KONG

A REBOUND following Monday's sharply lower session turned prices higher in Hong Kong. The Hang Seng index added 12.25 to 1,777.27 after the previous day's loss of more than 22 points.

Next week's government land auction prompted activity in the property sector. Cheung Kong added 20 cents to HK$20.40, Hongkong and Kowloon Wharf rose a similar amount to HK$7.15, Hongkong Land gained 10 cents to HK$6.20 and New World Development also rose 10 cents to HK$6.20.

Trading companies attracted strong support with Hutchison Whampoa ahead 10 cents at HK$29.00 and Jardine Matheson 20 cents higher at HK$12.50.

EUROPE

Post-holiday strength displayed

THERE WAS SOMETHING for everyone on the European bourses yesterday as investors returned from the Whitsun holiday. The Netherlands put on an unexpectedly good pre-election showing, Belgium was at a record amid government moves on the budget and profit-takers hit West German stocks heavily in thin trading.

Amsterdam displayed surprising strength and high turnover when most dealers had expected a thin, weak market. Some analysts pinpointed market optimism that the centre-right coalition could stay in government.

VNU was the star of the session with its Fl 20 jump to Fl 315 on heavy foreign demand, while Royal Dutch moved Fl 3.80 higher to Fl 189 on good results. Philips, however, moved against the trend with its 10-cent fall to Fl 53.70 and Heineken dipped 30 cents to Fl 149.70.

Fokker added 50 cents to Fl 87.30.

Pakhoed firmed Fl 2 to Fl 52 despite its announcement of expected lower profits and the poor prospects of its Pandair air freight unit.

The bond market was more cautious ahead of the election and prices were lower where changed.

Foreign institutional buyers helped push Brussels to a record after the Government announcement of deep cuts in spending in a bid to contain the growth of the budget deficit.

The Government plans to curb public spending by BFr 199bn in the next 18 months. A cut in short-term Treasury certificates also aided sentiment.

Petrofina led the market higher with its BFr 120 gain to BFr 8,040 in active trading, while chemical group Solvay firmed BFr 40 to BFr 8,450. Leading utility Intercom added BFr 95 to BFr 4,010 on the rate moves.

Retailer GB-Inno-BM also turned in a strong performance with its BFr 50 rise to BFr 7,300

Frankfurt turned sharply lower although the thin trading levels were attributed to the absence of many domestic operators for a local holiday.

A late foray by foreign investors forced many blue chips lower.

The mid-session calculation of the Commerzbank index was 18.0 down at 1,942.2, making for a 3.8 per cent decline over the three previous sessions.

The foreign profit-taking was initially concentrated among banks with Bayerische Vereinsbank down DM 28 to DM 520, Dresdner off DM 27.50 at DM 403.50 ex its DM 10 dividend and Deutsche Bank slumped DM 26 to DM 785. Commerzbank suffered the least with its DM 4 decline to DM 308.

Daimler took the sharpest fall among the car makers with its DM 25 drop to DM 1,290. VW was left DM 16.80 cheaper at DM 532 and BMW turned DM 6.50 lower to DM 553. Large early gains for Porsche were chipped away leaving the sports car group DM 2 higher at DM 1,042.

Foreign demand surfaced in the bond market helping to offset some early falls. Longs finished about ¾ higher but isolated losses amounted to 1¼ points.

The Bundesbank bought DM 19.9m worth of domestic paper after purchases of DM 58.7m on Friday.

Paris was pushed lower by poor April employment figures, weak industrial output for March and a Bank of France report suggesting that industry is pessimistic about economic activity this year.

Zurich was weaker in thin volume as both foreign and domestic buyers remained hesitant after the market holiday. Export issues, notably chemicals, were weaker against a stronger dollar.

Milan was actively mixed on profit-taking after Monday's sharp gains. Fiat continued to make progress with a L149 rise to L16,449 and Generali hit a fresh high of L169,000 with a L4,500 surge.

Oslo proved dull but oils began to respond to the stronger crude oil price. Norsk Hydro added NKr 1 to NKr 142.

Stockholm firmed in quiet trading.

Madrid turned lower in quiet trading.

SOUTH AFRICA

PRICES FIRMED across the board in Johannesburg as the rand drifted lower and the gold price turned higher.

In the gold sector Driefontein added 25 cents to R50.75 and Buffels 5 cents to R71.50 while Vaal Reefs remained steady at R212.

CANADA

OILS were buoyant in a lower Toronto. Imperial Oil edged C$⅛ higher to C$43⅝, Shell Canada C$¼ to C$23½ and Bluesky Oil 5 cents to C$2.70.

Industrials and banks turned down. Carling O'Keefe slipped C$¼ to C$14⅞, and Canadian Tire class A dropped C$¼ to C$15¼.

LONDON

Retailers overcome caution

RESULTS from the retailing sector buoyed London and partly overcame the cautious stance following the recent sharp shakeout.

The FT Ordinary share index posted a gain of 10.7 to 1,305.0 while the FT-SE 100 was up 11.8 at 1,584.8.

Sainsbury's, with preliminary figures higher than expected, put on 8p to 388p, while annual results from Underwoods pushed it up 8p to 184p.

Industrials and South African mining issues remained under pressure, however, following a drop in the rand and renewed calls for economic sanctions.

Gilts gradually improved throughout the session. Long-dated issues, down around ½ early in the day, ended with rises of around ⅜. Shorts were also higher, but index-linked issues recorded losses of about ⅛.

Chief price changes, Page 37; Details, Page 36; Share information service, Pages 34-35.

AUSTRALIA

THE DOWNWARD TREND resumed in Sydney yesterday. The only activity in the market was prompted by an upturn in world crude oil prices and the defensive buying of BHP stock.

More than 3.9m shares in BHP changed hands and the issue ended 2 cents higher at A$8.30. Bell Resources dropped 15 cents to A$4.25, while parent company Bell Group remained steady at A$8.80.

ANZ Bank's lower half year profits stripped it of 42 cents at A$5.42, while in the retail sector Coles Myer dropped 30 cents to A$5.76.

SINGAPORE

EARLY profit-taking prompted late bargain hunting in Singapore and some blue chips recovered part of their initial losses. Most issues remained slightly lower, however.

Malayan Banking, the most actively traded issue with a turnover of 503,000 shares, dropped 3 cents to S$2.86, while among other actives, Sime Darby eased 4 cents to S$1.16